

## PART II

# Migrant Entrepreneurship in OECD Countries\*

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## Executive summary

This chapter analyses migrant entrepreneurship and its contribution to employment creation in OECD countries. In addition, it reviews the policy measures established to fostering migrant entrepreneurship, both for prospective migrant entrepreneurs and for those already in the country.

On average across OECD countries, the percentage of migrant entrepreneurs differs only slightly from that of natives (12.6% versus 12.0%), but there are significant variations between countries and over time. Nevertheless, migrants are more likely to start a new business in most OECD countries, even if the survival rate of those businesses is lower than that for new businesses started by native-born entrepreneurs.

The contribution of migrant entrepreneurs to employment creation in OECD countries has been increasing steadily during the period 1998-2008. On average, a foreign-born self-employed who owns a small or medium firm creates between 1.4 and 2.1 additional jobs, slightly less than their native-born counterparts (1.8-2.8). Migrant entrepreneurs' contributions to the host-country economy are not limited to job creation, but expand to include innovation and trade.

The potential contribution of migrant entrepreneurs to the host-country's economic growth has drawn the attention of policy makers and several OECD countries have introduced specific migration policies to support them. Two different types of measures have been implemented. The first consists of targeted measures to support migrant entrepreneurs already established in the host country. Those measures aim at enhancing their human, social and financial capital in order to tackle the relative disadvantages they face compared with native-born entrepreneurs. A key element is to ensure equal access to finance among migrant and native entrepreneurs.

The second type of targeted measures includes specific admission policies that regulate the entry and stay of foreign entrepreneurs and investors in a country. These admission policies are designed to select those entrepreneurs whose human and financial capital and business projects are likely to meet the country's economic needs and ensure the success of their businesses. Nevertheless, migrant entrepreneurs accepted through these programmes represent only a small fraction of all migrant entrepreneurs in OECD countries, as most migrant entrepreneurs enter through other channels.

## Introduction

Migrants contribute to the economic growth of their host countries in many ways, bringing new skills and talents with them and helping to reduce labour shortages. An aspect that has received only limited attention up to now is migrants' contribution to the economy through the direct creation of new businesses.

The main purpose of this chapter is to expand the existing knowledge on migrant entrepreneurship, providing a comprehensive picture of this phenomenon across OECD countries. To this aim, the contribution of migrants to growth in entrepreneurial activity

and employment creation is estimated in a cross-country comparative framework. In addition, the current profile of migrant entrepreneurs and their businesses is investigated, taking into account those aspects that go well beyond the stereotype image of small shopkeepers catering to the needs of their fellow migrants.

A majority of OECD countries have been adopting in the past decade specific policy measures aimed at fostering migrant entrepreneurship. Those measures include both *targeted support* programmes for migrant entrepreneurs already established in a country and aimed at enhancing their capacity to grow their businesses, and specific *admission* policies designed to select and attract those foreign entrepreneurs and investors whose human and financial capital and business project are likely to meet the needs of the national economy.

An additional objective of this chapter is to enable policy makers to have a better understanding of the key features of migrant entrepreneurship that could help them put in place the most effective measures to foster the success of migrant enterprises and their contribution to economic growth.

The structure of this chapter is as follows. The first section provides a profile of migrant entrepreneurs in OECD countries, including an estimate of the contribution of migrant entrepreneurs to overall employment creation in OECD countries. The second section analyses specific support measures implemented in OECD countries to enhance entrepreneurship among the immigrant population and specific admission policies targeted to migrant entrepreneurs.

## 1. Measuring migrant entrepreneurship and its contribution to employment creation in OECD countries

Migrants contribute to the economy both as employees and as entrepreneurs, creating new firms and businesses.

Comparing entrepreneurship and employment creation by migrants across OECD countries is not a straightforward exercise, due to the different data sources available for different countries and the lack of an internationally-agreed definition of a migrant entrepreneur. In this chapter, *migrant entrepreneurs* are defined as those foreign-born business owners “who seek to generate value through the creation or expansion of economic activity, by identifying new products, processes or markets” (OECD’s established definition of entrepreneur, OECD, 2008a). A standard practice in the entrepreneurship literature is to assimilate entrepreneurs to the self-employed,<sup>1</sup> whether or not they employ other persons. This approach is followed throughout the chapter, where the terms *self-employed* and *entrepreneur* are used interchangeably.<sup>2</sup>

Identifying *migrant entrepreneurs* is not an easy task, as it is necessary to link the migration status of the business owner to the business.<sup>3</sup> However, because the ownership of many firms (in particular publicly-listed companies) is atomised, there are many shareholders, and many may not even be individuals but other firms or corporations, making the link between the firm and the owner be difficult to determine. In addition, available databases on firms – and, notably, business registers – do not have information on the country of birth of the owner (see Mestres in OECD, 2010 for further discussion).

The study presented here therefore concentrates on *self-employed entrepreneurs* using labour force survey data. In this case, an explicit distinction between migrant entrepreneurs and native-born entrepreneurs can be made, and the main characteristics of the business identified. The analysis concentrates on non-agricultural entrepreneurs,<sup>4</sup> as is the norm in the research on entrepreneurship.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

This chapter relies on data from the European Union Labour Force Survey, the US Current Population Survey (March supplement), the Australian Labour Force Survey and the Israeli CBS Labour Force Survey to analyse migrant entrepreneurship in OECD countries. These data enable identification of those entrepreneurs who define themselves as self-employed, the number of employees that they employ in their business as well as a wide range of socio-demographic characteristics, both specific to self-employment (i.e. number of years as self-employed) and to the migration experience (i.e. number of years in the host country).

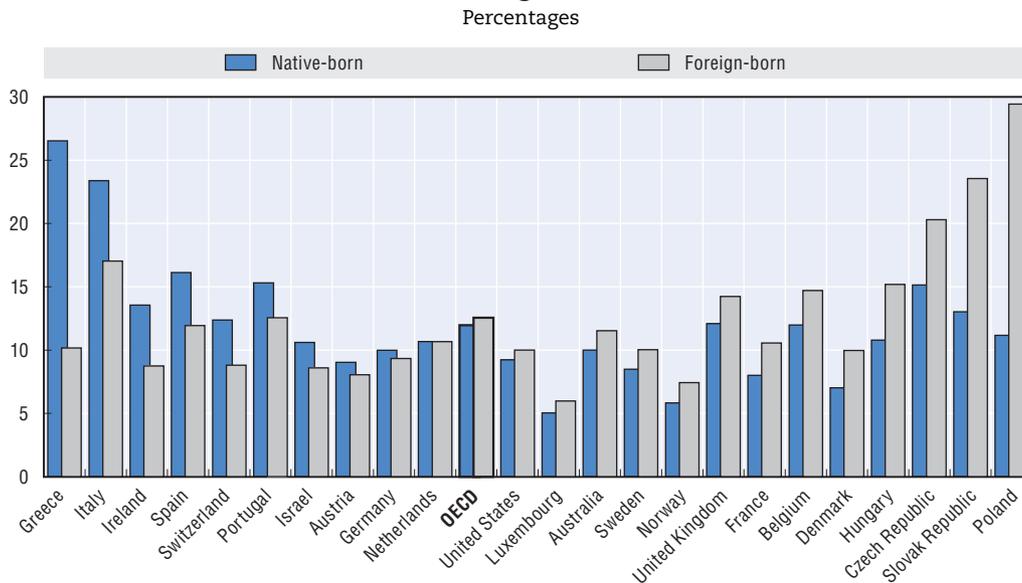
The data sources used in this section have some limitations, however. First, the number of persons who declare they are self-employed may underestimate the actual number of self-employed entrepreneurs. In particular, self-employed persons who own large firms may be underrepresented if they declare themselves as wage employees. On the other hand, the number of firms owned by self-employed entrepreneurs may be overestimated if a firm has several owners and each identifies him/herself as self-employed with employees.<sup>5</sup>

### 1.1. The scope of migrant entrepreneurship in OECD countries

#### *In most OECD countries the percentages of migrants and natives that are entrepreneurs differ only slightly*

Migrants in OECD countries are on average only slightly more entrepreneurial than natives: 12.6% of migrants of working age were involved in non-agricultural entrepreneurship activities in 2007-08, compared with 12.0% among natives. Figure II.1 shows that the share of self-employment is higher among migrants than among natives in most OECD countries, although there are important differences across countries. In countries such as Australia, the United Kingdom, France, Belgium, Denmark, Sweden and Norway, the share of entrepreneurs

Figure II.1. **Self-employed persons as a share of all employed persons, native- and foreign-born, 2007-08**



Note: Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Sources: EU Labour Force Survey, 2007-08; US CPS March Supplement, 2007-08; Australia Labour Force Survey, 2007-08; Israel CBS Labour Force Survey (Analysis by Myers, JDC-Brookdale Institute), 2007-08.

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in total employment is 1.5 to 2.9 percentage points higher for migrants compared with natives. In the United States, albeit to a lower degree, the share of migrant entrepreneurs is also higher.<sup>6</sup> Portugal, Spain, Italy, Greece, Ireland, Israel,<sup>7</sup> Germany, Austria and Switzerland, however, are characterised by a lower migrant self-employment rate.

The two main regions with a high overall rate of self-employment are southern Europe and Central and Eastern Europe. However, while in Central and Eastern Europe the foreign-born tend to have a higher self-employment propensity than the native-born, the opposite is true in southern Europe. The over-representation of migrants in self-employment in Poland, the Slovak Republic, the Czech Republic and Hungary might be partly due to relatively flexible visa regulations for migrant entrepreneurs (see Section 2 below). Southern European countries' lower rates of migrant entrepreneurship may be a consequence of the fact that migration in these countries is a relatively recent phenomenon and concerns mostly low-skilled workers who may not have had time yet to build the necessary human, physical and social capital to start a business.

Many factors contribute to explain the differences across countries, including the business environment and the specific constraints that migrants might face the socio-demographic characteristics of migrants relative to natives, the specificities of migration trends, and the sector distribution of migrant employment, among others. Section 1.3 will analyse the determinants of migrant entrepreneurship and try to disentangle the role of these various factors.

The evolution of self-employment among migrants over time is not uniform among OECD countries (see Table II.1). In fact, there is almost no observable trend in either the foreign-born or native-born shares over the decade. In some OECD countries, the share of self-employed foreign-born in total foreign-born employment declined slightly between 1998-2000 and 2007-08. Usually, the trend observed for the foreign-born mimics that observed for the native-born. However, this is not the case in the United Kingdom and especially in Ireland and Spain, where migration increased significantly during the decade in question and was mainly composed by labour migration. In these countries, the share of wage employment increased.

Some countries, on the other hand, saw an increase in migrant entrepreneurship over the 1998-2008 period. In the Netherlands, for example, the share of foreign-born entrepreneurs increased by more than 3 percentage points over the past ten years. The increase is also significant in Austria (+2 percentage points) and to a lesser extent in Germany (+1.3 percentage points).<sup>8</sup>

***The proportion of new migrant entrepreneurs in the labour force is much higher than among natives***

The number of *new* entrepreneurs in a given year provides a dynamic measure of entrepreneurship, complementary to the stock of *existing* entrepreneurs. Table II.2 shows the estimated number of new entrepreneurs who created a business in a given year split between the foreign-born and the native-born. During the period 1998-2008, the annual number of new migrant entrepreneurs almost doubled in Germany (to over 100 000 per year) and in the United Kingdom (almost 90 000 per year). There were increases in the number of new migrant entrepreneurs as well in Spain (to over 75 000 new entrepreneurs per year), in Italy (to over 46 000) and in France (to over 35 000). In the United States, Fairlie (2008) estimates the monthly number of new migrant business owners at around 81 000 (which represents 16.7% of all new business owners in the economy).

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.1. **Evolution of the self-employment share of total employment by place of birth in OECD countries, 1998-2008**

Percentages

	Foreign-born				Native-born			
	1998-2000	2001-03	2004-06	2007-08	1998-2000	2001-03	2004-06	2007-08
Australia	13.7	13.6	13.0	11.5	11.1	11.0	10.7	10.0
Austria	6.1	6.8	8.0	8.1	7.6	8.1	9.0	9.0
Belgium	16.1	15.4	14.8	14.7	13.5	12.4	11.9	12.0
Czech Republic	..	22.5	24.5	20.3	..	15.8	15.4	15.1
Denmark	9.8	8.7	8.4	10.0	6.9	6.6	6.7	7.0
France	10.4	10.0	10.9	10.6	8.3	7.6	7.8	8.0
Germany	8.0	7.9	9.6	9.3	9.1	9.3	10.3	10.0
Greece	11.8	9.8	11.0	10.2	28.1	26.9	26.7	26.5
Hungary	15.5	17.3	16.1	15.2	13.0	11.8	12.0	10.8
Ireland	16.8	14.4	11.0	8.7	12.4	12.3	12.6	13.6
Israel	..	7.9	8.3	8.6	..	9.8	10.1	10.6
Italy	17.7	15.9	17.9	17.0	23.3	22.6	24.2	23.4
Luxembourg	6.5	6.0	6.7	6.0	7.6	5.9	6.3	5.0
Netherlands	7.6	7.7	9.8	10.7	8.4	9.0	9.6	10.7
Norway	7.4	5.9	7.6	7.4	4.7	4.8	5.5	5.8
Poland	..	..	24.8	29.4	..	..	11.3	11.2
Portugal	14.9	14.3	12.7	12.6	17.4	17.7	16.1	15.3
Slovak Republic	..	7.6	19.9	23.6	..	9.6	12.2	13.0
Spain	19.9	14.2	10.3	11.9	16.7	15.6	15.7	16.1
Sweden	12.1	10.7	10.5	10.0	8.6	8.1	8.5	8.5
Switzerland	..	9.9	9.5	8.8	..	11.5	12.5	12.4
United Kingdom	15.5	14.2	14.1	14.2	10.8	11.0	11.6	12.1
United States	9.4	8.6	9.3	10.0	8.9	8.8	9.5	9.2
<b>OECD</b>	<b>12.2</b>	<b>11.3</b>	<b>12.5</b>	<b>12.6</b>	<b>12.0</b>	<b>11.6</b>	<b>12.0</b>	<b>12.0</b>

Note: Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

Sources: EU Labour Force Survey, 1998-2008; US CPS March supplement, 1998-2008; Australia Labour Force Survey, 1998-2008; Israel CBS Labour Force Surveys (Analysis by Myers; JDC-Brookdale Institute), 2001-08.

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Table II.2. **Average yearly number of new entrepreneurs, foreign- and native-born, 1998-2008**

	Foreign-born				Native-born			
	1998-2000	2001-03	2004-06	2007-08	1998-2000	2001-03	2004-06	2007-08
Austria	..	4 000	6 000	7 000	..	36 000	34 000	32 000
Belgium	4 000	3 000	5 000	6 000	23 000	20 000	25 000	25 000
Czech Republic	..	1 000	2 000	1 000	..	63 000	56 000	51 000
France	29 000	35 000	38 000	35 000	178 000	164 000	183 000	194 000
Germany	49 000	55 000	88 000	103 000	445 000	442 000	525 000	571 000
Greece	3 000	3 000	..	..	46 000	44 000	33 000	26 000
Italy	6 000	12 000	36 000	46 000	531 000	588 000	530 000	505 000
Netherlands	7 000	..	8 000	11 000	70 000	..	93 000	99 000
Portugal	4 000	4 000	5 000	7 000	74 000	47 000	46 000	42 000
Spain	13 000	27 000	42 000	77 000	195 000	189 000	192 000	210 000
Sweden	2 000	3 000	3 000	5 000	13 000	12 000	10 000	26 000
United Kingdom	45 000	55 000	62 000	88 000	363 000	374 000	387 000	448 000

Source: EU Labour Force Survey, 1998-2008.

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In addition, migrants are more entrepreneurial in relative terms with respect to their population than natives. Box II.1 shows that the *proportion* of new migrant entrepreneurs in the labour force is much higher than that of natives. This suggests that migrants are more entrepreneurial than natives in most OECD countries.<sup>9</sup>

**Box II.1. Dynamic measures of entrepreneurship: Index of entrepreneurial activity (Proportion of new migrant entrepreneurs in the active population)**

Migrant entrepreneurs contribute to the economy by creating new businesses. A way to estimate their relative contribution to the economy is to compute the proportion of individuals in the active population who became self-employed in the current year (and who were not self-employed in the previous year). This measure summarises the contribution of migrants and natives to the creation of new business with respect to their share in the active population every year. This Index of entrepreneurial activity (IEA) is inspired by the Kaufmann Index of Entrepreneurial Activity (Fairlie, 2009) in the United States, although the latter measures the proportion of non-business owners in the total adult population who start a business as a main job each month. The estimation of the proportion of new migrant entrepreneurs in the active population has the advantage of being a relative measure (in proportion to the size of the active population), and allows a comparison of the entrepreneurship propensities of migrant and native populations.

**Table II.3. Index of entrepreneurial activity, 1998-2008**

	Foreign-born				Native-born				Ratio Foreign-/ Native-born
	1998-2000	2001-03	2004-06	2007-08	1998-2000	2001-03	2004-06	2007-08	
	Per cent				Per cent				2007-08
Austria	..	0.52	0.62	0.69	..	0.76	0.75	0.69	0.99
Belgium	0.51	0.42	0.60	0.72	0.39	0.35	0.42	0.41	1.77
Czech Republic	..	0.85	1.16	0.83	..	0.90	0.79	0.71	1.16
France	0.66	0.75	0.81	0.72	0.55	0.50	0.53	0.56	1.29
Germany	0.73	0.77	1.11	1.23	1.01	1.01	1.16	1.25	0.98
Greece	0.78	0.65	-	-	0.69	0.66	0.49	0.40	..
Italy	2.06	2.45	1.73	1.38	1.39	1.54	1.47	1.41	0.98
Netherlands	0.59	..	0.56	0.80	0.73	..	0.97	1.03	0.77
Portugal	1.19	1.08	0.93	1.14	1.13	0.72	0.69	0.65	1.77
Spain	1.33	1.37	1.18	1.55	0.74	0.72	0.73	0.80	1.93
Sweden	0.40	0.36	0.30	0.55	0.27	0.24	0.20	0.52	1.06
United Kingdom	1.32	1.46	1.41	1.63	1.06	1.09	1.11	1.30	1.26
United States	0.32	0.35	0.38	0.50	0.27	0.27	0.28	0.28	1.80
<b>OECD</b>	<b>0.90</b>	<b>0.92</b>	<b>0.90</b>	<b>0.98</b>	<b>0.75</b>	<b>0.73</b>	<b>0.74</b>	<b>0.77</b>	<b>1.27</b>

Sources: EU Labour Force Survey, 1998-2008. (-) indicates an estimate below the Eurostat reliability threshold. The index of entrepreneurial activity is defined as the percentage of individuals in the labour force who became self-employed in the current year (and who were not self-employed in the past year). Results for the United States correspond to the Kaufmann Index of Entrepreneurial Activity shown in Table 3 in Fairlie (2009). [StatLink !\[\]\(642aa997563f9a325b310230bb5078b7\_img.jpg\) http://dx.doi.org/10.1787/888932442123](http://dx.doi.org/10.1787/888932442123)

The Index of entrepreneurial activity for migrants and natives is shown in Table II.3. Migrants contribute actively to the creation of new firms in the OECD. In relative terms, migrants are more entrepreneurial than natives in most OECD countries. In Belgium and in Spain, the proportion of individuals that became self-employed in 2007-08 was almost the double the proportion of natives. In the United States, the United Kingdom, France and the Czech Republic, as well migrants are more likely to start a new business. In Austria, Germany, Greece and Italy, migrants are almost as entrepreneurial as natives. Only in the Netherlands are migrants less entrepreneurial than natives.

**Nevertheless, migrant entrepreneurs are less successful than native entrepreneurs**

However, the higher propensity of immigrants to create a new business has to be considered against the sustainability of such business. Here a consistent finding across countries is that entrepreneurship is a less stable state for migrants than for natives. Migrant entrepreneurs' persistence in self-employment is lower than native-born entrepreneurs in almost all OECD countries (see Table II.4). While transitions into entrepreneurship from one year to another are higher among the foreign-born, transitions out of self-employment are also higher. This higher transition out of self-employment can indicate that self-employment is a mechanism to move into wage employment but it can also indicate a higher failure rate of migrant firms.

**Table II.4. Flows into and out of self-employment, foreign- and native-born, year-to-year, 1998-2008**

Percentages

	Entry into self-employment		Exit out of self-employment		Self-employment persistence	
	Foreign-born	Native-born	Foreign-born	Native-born	Foreign-born	Native-born
Austria	13.9	10.4	14.4	8.2	85.6	91.8
Belgium	7.4	4.8	6.4	3.5	93.6	96.5
Czech Republic	20.5	16.8	13.6	9.1	86.4	90.9
France	18.0	7.7	9.5	4.9	90.5	95.1
Germany	8.3	4.9	5.4	2.0	94.6	98.0
Greece	12.0	8.6	11.9	7.2	88.1	92.8
Hungary	7.8	3.1	7.5	3.1	92.5	96.9
Ireland	13.3	11.4	7.7	8.9	92.3	91.1
Italy	14.9	11.1	7.0	5.5	93.0	94.5
Luxembourg	7.4	4.2	7.7	4.7	92.3	95.3
Netherlands	12.1	11.0	9.5	6.4	90.5	93.6
Poland	6.6	7.9	7.8	6.2	92.2	93.8
Portugal	10.9	5.7	7.7	4.0	92.3	96.0
Spain	17.0	7.2	8.6	4.3	91.4	95.7
Sweden	11.3	7.7	7.6	5.2	92.4	94.8
Switzerland	7.2	7.9	4.5	4.9	95.5	95.1
United Kingdom	17.3	14.3	10.7	9.3	89.3	90.7
<b>OECD</b>	<b>12.1</b>	<b>8.5</b>	<b>8.7</b>	<b>5.7</b>	<b>91.3</b>	<b>94.3</b>

Source: EU Labour Force Survey, 1998-2008.

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In fact, a lower survival rate of migrant businesses compared with those of natives has been observed in many OECD countries. In the United States, *Georgarakos and Tatsiramos* (2009) have shown a lower survival probability for migrant entrepreneurs of Mexican and Hispanic origin. In Norway, around 26% of all companies established by immigrants in 2002 were still in business in 2006 compared with 29% for natives (Liebig, 2009). In France, only 40% of the firms owned by foreign nationals were still operating five years after their creation compared with 54% for French nationals (Breem, 2010). The author has found that even after controlling for qualifications, experience and other factors, migrant businesses are 27% less likely to survive relative to native businesses.

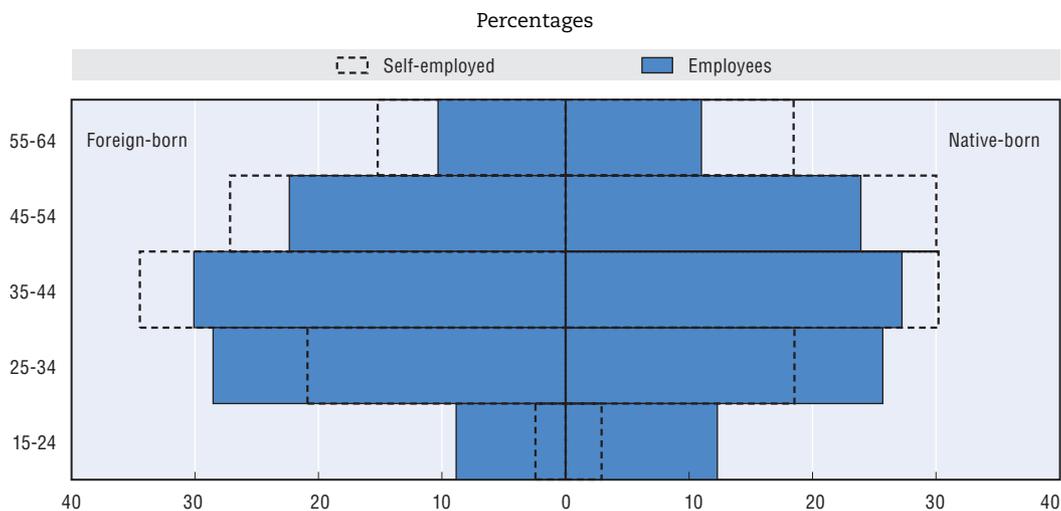
### 1.2. A profile of migrant entrepreneurs in OECD countries

Individual background is an important determinant of the likelihood to be involved in entrepreneurial activities. In general, entrepreneurs are more likely to be men, middle-aged and skilled. Do these findings hold for migrants and for all OECD countries? This sub-section analyses and compares the main socio-demographic characteristics of native- and foreign-born self-employed.

#### *Most migrant entrepreneurs are middle-aged and slightly younger than native entrepreneurs*

More than three out of four entrepreneurs are aged over 35 (Figure II.2), among both native-born and foreign-born. The self-employed are also on average older than wage and salary workers. This result might be explained by the need to accumulate enough social and physical capital, as well as experience, before being able to start a business.

Figure II.2. **Age distribution of self-employed persons and of employees, 1998-2008**



Note: Average of the national distributions. Countries included are listed in Figure II.1.

Sources: EU Labour Force Survey, 1998-2008; US CPS March supplement, 1998-2008; Australia Labour Force Survey, 2007-08.

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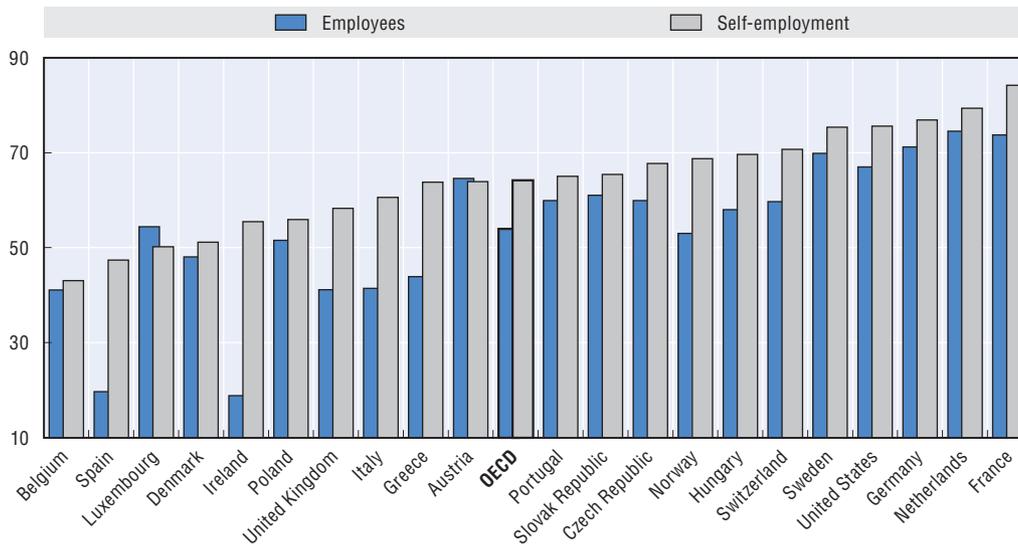
Foreign-born entrepreneurs have a similar age distribution to native-born entrepreneurs, although they are on average slightly younger than their native counterparts. This is also the case for those in wage and salary employment, where the employed foreign-born are younger than their native counterparts.

#### *Migrant entrepreneurs have been in the host country longer than employed migrants*

Almost two thirds of migrant entrepreneurs in OECD countries have been in the host country more than ten years compared with just above 50% for migrant wage earners (Figure II.3). In Ireland and Spain, and to a lesser extent in the United Kingdom, Italy and Greece, the difference is particularly significant.

Figure II.3. **Self-employed immigrants and wage-and-salary immigrants with more than ten years of residence in the host country, 2008**

Percentage of all self-employed immigrants and wage-and-salary immigrants, respectively



Source: EU Labour Force Survey, 2008; US CPS March supplement, 2008.

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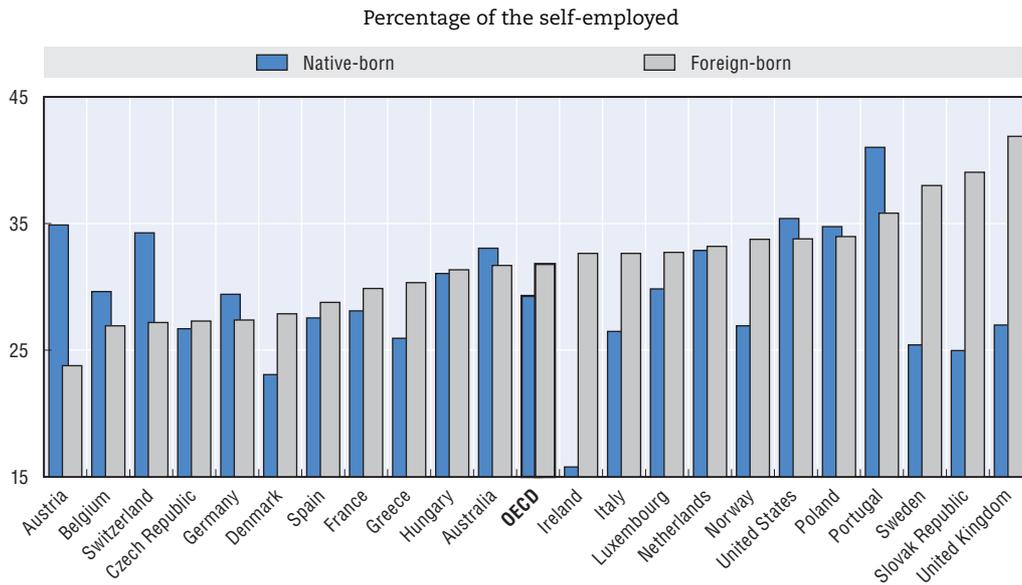
Obviously, duration of stay is correlated to age, as migrants who have been in the country for longer periods tend to be older. The arguments mentioned above to explain why older people are more likely to start a business also apply in relation to duration of stay. However, at a given age migrants may have lower social capital specific to the host country, less financial means and more difficulty raising funds. These limitations diminish, the longer they stay in the country.

#### ***A low proportion of migrant women engage in entrepreneurship activities***

Figure II.4 shows a low proportion of women entrepreneurs in all OECD countries, both for native- and foreign-born. On average, only 30% of all entrepreneurs in the OECD are women, a finding which is explained by Fairlie (2005) by the combination of both a lower entry rate into entrepreneurship and a higher exit rate for women. In addition, the fact that women are less likely to be entrepreneurs could be partly explained by the sectoral distribution of self-employment, notably the fact that it is concentrated in construction, where fewer women are working. However, Breem (OECD, 2010) has shown that women are 26% less likely to succeed as entrepreneurs than men, even after controlling for other factors like sector of activity.

#### ***Migrant entrepreneurs have a higher average educational level than their native counterparts***

The distribution of migrant entrepreneurs by levels of educational attainment compared with their native peers is shown in Table II.5. The first notable fact is the important share of migrant entrepreneurs who are highly-educated, both compared with natives and with all in general.

Figure II.4. **Women's share of the self-employed, foreign- and native-born, 1998-2008**

Sources: EU Labour Force Survey, 1998-2008; US CPS March supplement, 1998-2008; Australia Labour Force Survey, 2007-08.  
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Table II.5. **Distribution of educational attainment among entrepreneurs, foreign- and native-born, 1998-2008**

Percentages

	Foreign-born			Native-born		
	Low	Medium	High	Low	Medium	High
Austria	13	48	39	15	57	28
Belgium	26	34	40	22	39	39
Czech Republic	12	56	32	3	79	18
Denmark	22	42	36	15	58	27
France	34	30	35	20	50	30
Germany	20	41	39	6	47	46
Greece	30	42	28	45	37	19
Hungary	6	53	41	9	70	21
Ireland	20	35	45	37	40	23
Italy	40	39	20	44	39	17
Luxembourg	14	40	46	14	60	26
Netherlands	21	37	42	22	46	32
Norway	17	45	38	18	59	23
Poland	9	50	42	15	71	14
Portugal	50	29	21	83	10	8
Slovak Republic	8	57	35	2	79	19
Spain	32	32	36	55	21	25
Sweden	20	50	30	19	60	22
Switzerland	16	44	41	6	58	36
United Kingdom	17	47	36	13	58	29
United States	14	50	36	2	63	35
<b>OECD</b>	<b>21</b>	<b>43</b>	<b>36</b>	<b>22</b>	<b>52</b>	<b>25</b>

Note: Educational level categories correspond to ISCED 0/1/2 (Low), ISCED 3/4 (Medium) and ISCED 5/6 (High).

Sources: EU Labour Force Survey, 1998-2008; US CPS March supplement, 1998-2008.

StatLink <http://dx.doi.org/10.1787/888932442161>

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

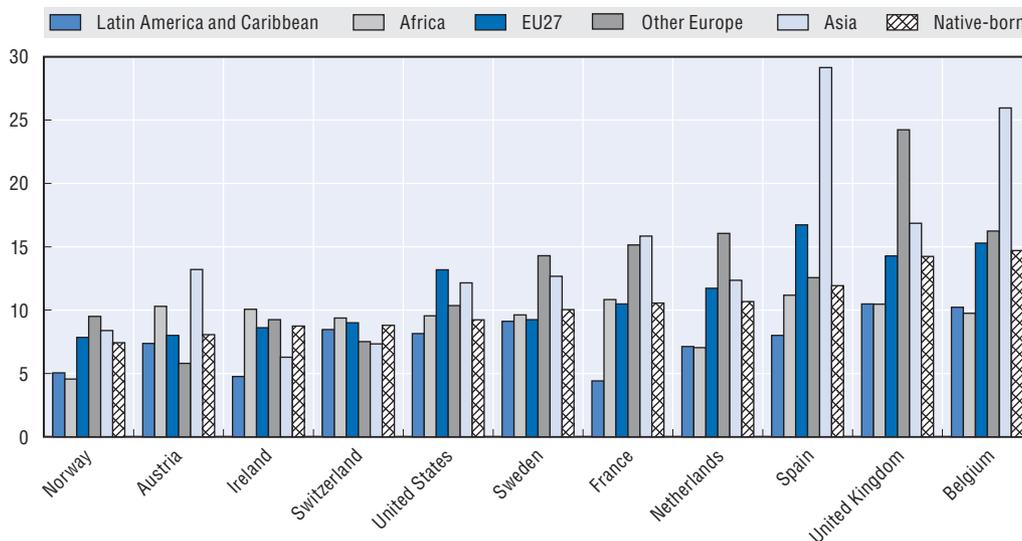
Around 30%-40% of migrant entrepreneurs have tertiary education in all OECD countries, except in Italy and Portugal where entrepreneurs in general are low-educated. In addition, the proportion of tertiary-educated entrepreneurs is higher than for natives in all OECD countries (except Germany). This also applies to the United States, even though the share of tertiary educated is lower among migrants than in the total population.

Second, the share of low-educated migrant entrepreneurs is lower on average than for natives, although this finding does not apply in all cases. While some countries have a high share of low-educated migrant entrepreneurs like Portugal (50%) or Italy (40%), others have a relatively low proportion, such as Austria (13%), Poland (9%), and Hungary (6%).

***Migrants from different regions of origin have different propensities to become entrepreneurs: Asian migrants have the highest propensity, Latin-American and African migrants the lowest***

The share of entrepreneurs in total employment varies significantly by region of birth (Figure II.5). Several reasons explain this diversity. First, migrants of different origins have different background characteristics. Fairlie (2005) and Lofstrom and Wang (2006) have shown how differences in education and wealth explain an important part of the differences in entrepreneurship behaviour between migrant groups. In addition, some origin countries traditionally have a higher share of entrepreneurs in their economies, and individuals that migrate from such countries are more likely to establish a business in the recipient country.<sup>10</sup>

Figure II.5. **Self-employed by country of residence and region of origin, 2007-08**  
Percentages



Sources: EU Labour Force Survey, 2007-08; US CPS March supplement, 2007-08.

StatLink  <http://dx.doi.org/10.1787/888932440774>

Asian migrants are more likely to become entrepreneurs in several OECD countries than most migrant groups. By contrast, migrants from Latin America and the Caribbean and from African countries are less likely to establish themselves as entrepreneurs. Lofstrom and Wang (2006) and Fairlie and Woodruff (2008) also documented the lower propensity of Mexican-Hispanics to enter entrepreneurship with respect to other Hispanic and non-Hispanic White groups in the United States, for example. European Non-EU migrants have a high proportion of entrepreneurs in countries such as the United Kingdom (24.2%), Netherlands (16.1%) or France (15.1%). The category “Other” corresponds to “North America and Oceania”, a group which in many countries has a noticeably high probability to be an entrepreneur.

### ***Migrant entrepreneurs move beyond ethnic businesses and work in a wide range of sectors***

Migrant entrepreneurship has been traditionally associated with ethnic businesses that cater mainly to populations from their ethnic enclaves. However, migrants develop their business activities not only in these traditional sectors but also in other high-value activities. In Canada, for example, only one third of Chinese entrepreneurs cater to their ethnic market (see Li in OECD, 2010). This transformation is due partly to the increasing educational attainment of many migrants, as well as the shifts in the economic structures in post-industrial societies (see Kloosterman and Rath in OECD, 2010).

Even if a high proportion of foreign-born entrepreneurs works in sectors more traditionally associated with migrant businesses (i.e. wholesale and retail trade), the range of activities that foreign-born entrepreneurs undertake in their host countries is as wide as that of natives. The distribution of sectors where foreign- and native-born entrepreneurs develop their activities is shown in Figures II.6 (a)-(c). A majority of migrant entrepreneurs works outside the traditional ethnic business sectors. In Europe, almost 18% of migrant entrepreneurs work in the construction sector; around 8% work in the professional, scientific and technical sector; around 6% in manufacturing and another 6% in human health and social work. In the United States, 15% work in the construction sector; more than 12% in non-durable manufacturing goods; 8% in finance and insurance activities and 6% in the transport sector. In Australia, 21% work in the construction sector; 9.5% in the professional, scientific and technical sector; around 8% in manufacturing and another 8% in the transport sector.

### **1.3. What factors are behind a migrant's entrepreneurship decision?**

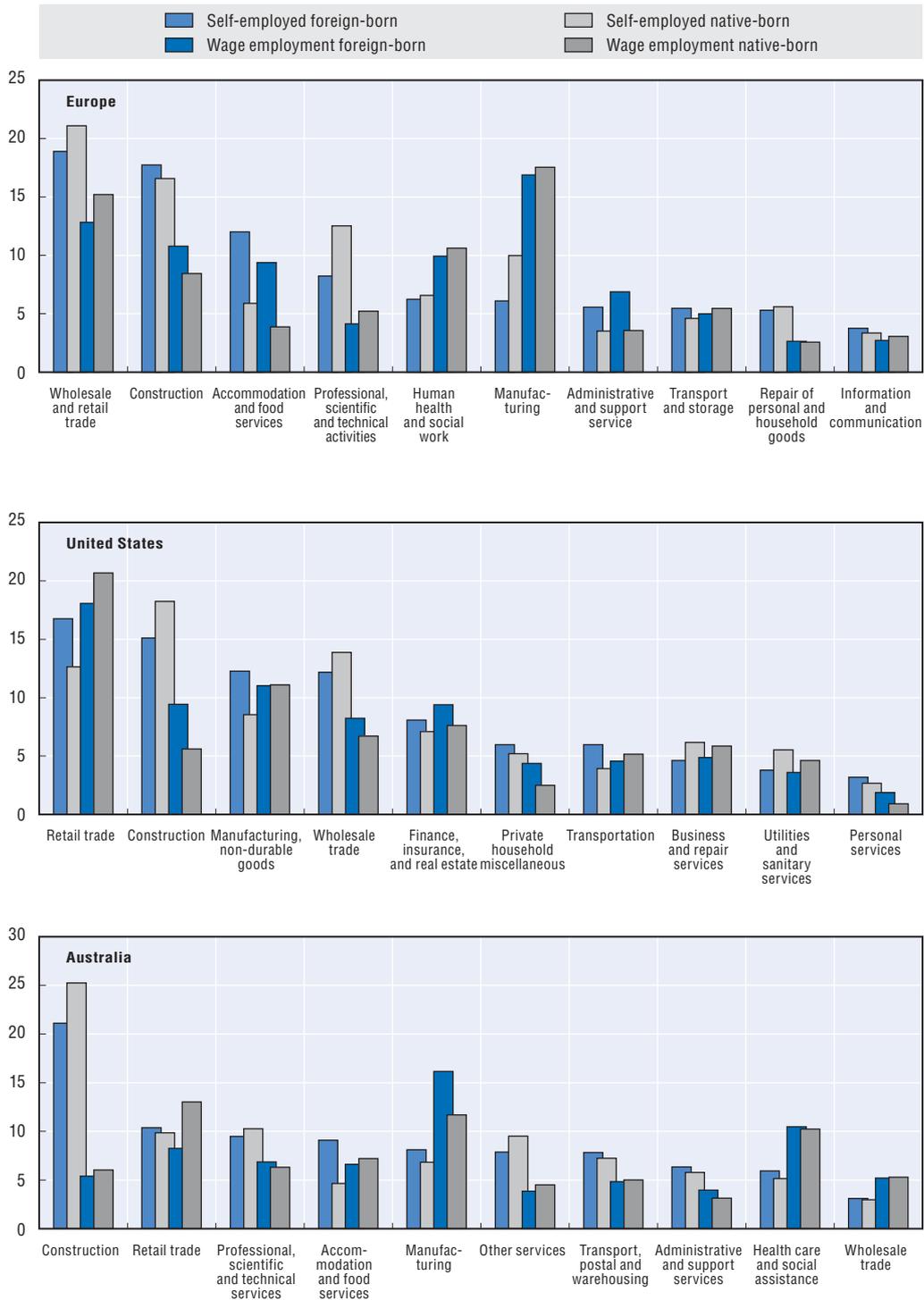
The profile of entrepreneurs described in Section 1.2 identified differences between migrants and natives in various dimensions. Controlling simultaneously for different sets of individual characteristics should help identify specificities with regard to migrant entrepreneurship. Further, in order to know which policies are best suited to encourage and sustain migrant entrepreneurship, it is necessary to know how each individual factor is related to the entrepreneurship decision.

The factors related to the decision to become an entrepreneur are analysed for several OECD countries (the United Kingdom, France, Spain and the United States) to observe how each factor influences the entrepreneurial status for all the population and for the migrant population, respectively (see Table II.6 for full estimation results<sup>11</sup>).

II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Figure II.6. **Ten main sectors of activity of the self-employed and distribution of wage-and-salary workers in the same sectors, by place of birth, 1998-2008**

Percentages



Sources: EU Labour Force Survey, NACE classification, 2008; US CPS March supplement, 1998 Census Code classification, 1998-2008; Australia Labour Force Survey, ANZSIC06 classification, 1998-2008.

StatLink  <http://dx.doi.org/10.1787/888932440793>

Table II.6. Contribution of various factors to the probability of being self-employed (Logit Model)

Logit Model	Native-born and foreign-born				Foreign-born only			
	United States	United Kingdom	France	Spain	United States	United Kingdom	France	Spain
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>Foreign-born</b>	<b>0.006**</b> <b>(0.003)</b>	<b>0.012***</b> <b>(0.002)</b>	<b>0.010***</b> <b>(0.002)</b>	<b>-0.033***</b> <b>(0.005)</b>				
Age 16-24	-0.078*** (0.002)	-0.098*** (0.001)	-0.064*** (0.001)	-0.109*** (0.003)	-0.067*** (0.006)	-0.084*** (0.004)	-0.066*** (0.005)	-0.061*** (0.008)
Age 25-29	-0.051*** (0.002)	-0.057*** (0.001)	-0.044*** (0.002)	-0.077*** (0.004)	-0.043*** (0.007)	-0.047*** (0.004)	-0.044*** (0.007)	-0.052*** (0.008)
Age 30-34	-0.040*** (0.002)	-0.040*** (0.001)	-0.034*** (0.002)	-0.052*** (0.004)	-0.036*** (0.007)	-0.030*** (0.004)	-0.030*** (0.007)	-0.037*** (0.008)
Age 35-39	-0.028*** (0.002)	-0.029*** (0.001)	-0.024*** (0.002)	-0.040*** (0.004)	-0.032*** (0.006)	-0.023*** (0.005)	-0.018** (0.007)	-0.036*** (0.008)
Age 40-44	-0.016*** (0.002)	-0.024*** (0.001)	-0.019*** (0.002)	-0.033*** (0.004)	-0.006 (0.007)	-0.020*** (0.005)	-0.009 (0.007)	-0.029*** (0.008)
Age 45-49	-0.009*** (0.002)	-0.019*** (0.001)	-0.012*** (0.002)	-0.024*** (0.004)	0.003 (0.007)	-0.003 (0.005)	-0.007 (0.006)	-0.008 (0.011)
Female	-0.041*** (0.002)	-0.074*** (0.001)	-0.046*** (0.002)	-0.064*** (0.003)	-0.039*** (0.005)	-0.074*** (0.003)	-0.067*** (0.005)	-0.049*** (0.007)
Upper secondary education	0.005 (0.005)	0.004*** (0.001)	0.019*** (0.002)	0.003 (0.004)	0.013* (0.007)	-0.027*** (0.004)	0.011* (0.006)	0.019** (0.009)
Tertiary education	0.017*** (0.005)	-0.010*** (0.001)	0.040*** (0.003)	-0.011*** (0.003)	0.01 (0.009)	-0.034*** (0.003)	0.045*** (0.008)	0.032*** (0.010)
Not single	0.013*** (0.002)	-0.001 (0.001)	0.008*** (0.002)	0.019*** (0.005)	0.008 (0.006)	0.001 (0.004)	0.016*** (0.006)	0.001 (0.009)
Number of children in the household	0.002*** (0.001)	0.009*** (0.001)	0.002*** (0.001)	0.009*** (0.002)	0 (0.002)	0.009*** (0.001)	0.001 (0.002)	0.007** (0.004)
Household owner	0.027*** (0.002)	0.028*** (0.001)	0.016*** (0.002)		0.032*** (0.005)	0.038*** (0.004)	0.039*** (0.006)	
0-4 years since migration					0.003 (0.010)	-0.075*** (0.004)	-0.01 (0.012)	-0.036*** (0.009)
5-10 years since migration					-0.008 (0.007)	-0.028*** (0.004)	-0.026*** (0.007)	-0.028*** (0.010)
11-16 years since migration					0 (0.007)	-0.018*** (0.005)	0.004 (0.011)	0.029* (0.015)
EU27 excl. EU15					0.097*** (0.033)	0.131*** (0.010)		-0.054*** (0.009)
Other Europe					0 (0.017)	0.066*** (0.012)	0.032*** (0.012)	-0.044*** (0.008)
Latin America and Caribbean					-0.022** (0.010)	-0.017** (0.007)	-0.009 (0.014)	-0.065*** (0.011)
Asia and the Middle East					0.002 (0.010)	0.004 (0.005)		0.03 (0.021)
Africa					-0.001 (0.016)	-0.022*** (0.005)	-0.015*** (0.006)	-0.059*** (0.007)
Other					0.015 (0.017)	0.032*** (0.008)	0.020** (0.009)	-0.026 (0.024)
Observations	98 283	1 021 302	439 128	73 391	16 279	111 341	51 149	7 125
Pseudo R-sq	0.066	0.067	0.082	0.055	0.055	0.087	0.093	0.125

Note: Reported figures correspond to marginal effects. Calculations were conducted on all active foreign- and native-born population in non-agricultural activities aged 15-64. All regressions control for region of residence in the host country.

\* p < 0.10, \*\* p < 0.05, \*\*\* p < 0.01

Sources: United States CPS March supplement, 2008; United Kingdom Labour Force Survey, Q1 2005-Q3 2009; France Labour Force Survey, Q1 2005-Q4 2007; Spain Labour Force Survey, Q1 2008. For France, category "Other" includes Asia and the Middle East and category "Other Europe" includes EU27 excl. EU15.

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***Migrant entrepreneurs have a different propensity to be entrepreneurs, even after controlling for individual background characteristics***

After controlling for differences in individual characteristics, a specific effect of being a migrant is still identified in all countries (Columns 1 to 4 – Table II.6). This effect is however, not similar across countries. In the United States, migrants have a higher propensity to be entrepreneurs (1 percentage point more likely). This is also the case in the United Kingdom (2 percentage points more likely) and France (1 percentage point more likely). However, the opposite is observed in Spain, where migrants are 3.2 percentage points less likely to be an entrepreneur.

This effect could be partly explained by the relative concentration of migrant employment in certain sectors where self-employment is more common. However, the above findings remain even controlling for sectors. Indeed, there may be unobserved characteristics which affect the propensity to be an entrepreneur and vary between migrant and non-migrant groups. For example, taking into account the selectivity of the migration process, individuals who decide to migrate may have on average a lower risk aversion than non-migrants, and thus more entrepreneurial skills as well. Migrants may also have a comparative advantage in specific business niches, including in services geared toward their migrant community (Borjas, 1986).

Another aspect that can alter the entrepreneurship behaviour of migrants could be their entry visa. Those migrants that enter with a migrant-investor visa or a self-employed visa will obviously be more likely to be involved in entrepreneurship activities. Hunt in OECD (2010) has found that migrants entering the United States with either a temporary work visa or a student visa are more innovative and entrepreneurial than other migrants and natives. In addition, the OECD *Job for Immigrants* reviews (2007, 2008c) have shown that the integration of migrants in the labour market (employment participation, unemployment, etc.) differs substantially between different entry categories. Migrants with different entry categories might then face different labour market prospects and rely to different degrees on self-employment as a way to improve their situation in the host-country labour market.

***Age, gender, education, time spent in the host country and the geographical origin of migrants are related to migrant entrepreneurship status***

The marginal probabilities for the age and gender categories show that, all else being equal, younger individuals and women are less likely to be self-employed in all the four countries studied. Similar patterns are observed with respect to age for migrants than for the overall population (after controlling for duration of stay in the host country). The effect of education on the probability of becoming an entrepreneur is different between countries and between natives and migrants. In the United States and France, highly-educated individuals are more likely to be an entrepreneur than those with less than upper secondary education. The reverse is true in Spain and in the United Kingdom. These observations, however, do not always hold for migrants. For example, in the United States those migrants with higher secondary education are more likely to be entrepreneurs than lower or higher educated individuals. In the United Kingdom, the low-educated migrants are more likely to be entrepreneurs than highly-educated migrants. In France and in Spain, the higher the level of education the migrant has, the higher the probability of being self-employed.

The time needed to adapt to the host country delays the start of the entrepreneurship ventures for migrants. The probability of being an entrepreneur increases with years of residence in the host country, after controlling for age and other observed characteristics. This effect is particularly strong in the early years after arrival but after residing ten or more years in the country, duration of stay has little impact. As noted above, migrants from different origins have different propensities to become entrepreneurs. Even after controlling for a wide range of individual characteristics, the region of origin remains a significant factor.

***Entrepreneurship can be a strategy to move out from low-wage job or a discrimination situation in paid employment...***

The existing evidence shows a mixed picture on the reasons why migrants start a business. Clark and Drinkwater (1998, 2000) found that migrants in the United Kingdom choose entrepreneurship to avoid discrimination in paid employment. They identify a positive wage premium strongly correlated for migrants with the decision to enter self-employment. The lower the premium, the lower is the probability that they engage in self-employment activities. In this context, migrant self-employment appears as a way to overcome discrimination or occupational downgrading in salaried work. Our results showing that highly educated migrants in Spain and France are relatively more likely than their native-born counterparts to engage in entrepreneurship activities may point to a lack of appropriate opportunities in wage employment (compared with natives).

In addition to the reasons why migrants start their business, the expected returns from the entrepreneurial choice are important to be assessed. Lofstrom (2002) showed that in the United States those migrants that choose self-employment converge to natives' wage earnings earlier than employed migrants. In addition, migrants manage to converge later to native self-employed earnings as well. However, a recent study focusing only on low-skilled migrant entrepreneurs (Lofstrom, 2009) shows that the choice of entrepreneurship is less beneficial for those migrants that are low-skilled than the choice of wage employment. The author suggests that overall positive returns to entrepreneurship by migrants in the United States are driven mostly by successful high-skilled migrants, and that for low-skilled migrants it might be more efficient to encourage an increase in human capital than to encourage entrepreneurship at any rate.

Lower returns to self-employment than to wage employment are also found in other countries. Li (2000) showed that in Canada, self-employed migrants earn significantly less than wage-employed migrants. Andersson and Wadensjö (2004) found similar results in Denmark and Sweden.

It has been acknowledged, however, that entrepreneurs have on average lower initial returns and lower growth in returns in general, and that the non-pecuniary benefits of entrepreneurship partly explain the propensity to become entrepreneurs for the overall population (Hamilton, 2000).

***... or as a way to overcome difficulties in finding wage employment***

In the context of the current economic crisis and high levels of unemployment in many OECD countries, it is important to understand if entrepreneurship is a potential response to a slack labour market. The existing entrepreneurship literature in general has cited two main arguments on how unemployment can affect entrepreneurship behaviour. On the one hand, the "recession-push" argument states that if there is a high level of

unemployment, individuals might be “forced” to become self-employed given the lack of alternatives. On the other hand, the “prosperity-pull” argument says that if the general economic situation is bad, individuals will be less likely to start their own business, given the lower demand for their services.

In fact, both effects might co-exist at the same time. There is, however, no agreement in the empirical literature on which of the two effects dominates. Some found that weak employment prospects (high unemployment) in the local area pushed the individual towards self-employment (i.e. Evans and Leighton, 1989), while others found that weak employment prospects delayed the entrepreneurship decision (Carrasco, 1999).<sup>12</sup> An analysis of the correlation between unemployment and migrant propensity to become an entrepreneur by Mestres in OECD (2010) for the United Kingdom and France supports the argument for a delaying effect. These results are in line with those found by Constant and Zimmermann (2004) who showed that migrants in Germany are more likely to become self-employed during the expansionary phase of the business cycle.

#### **1.4. Contribution of migrant entrepreneurship to employment creation and growth in OECD countries**

This section estimates the contribution of migrant entrepreneurs to employment creation in their host countries. It provides a comparative picture of the number of individuals employed by migrant entrepreneurs,<sup>13</sup> not counting their own job.

Most self-employed employ only themselves, although this is even truer for migrants. In OECD countries, between 50% to 75% of migrant entrepreneurs employ only themselves (Table II.7).

Ireland, the United Kingdom, Spain, Greece, Italy and Norway are the countries where the proportion of migrant entrepreneurs who only employ themselves is the highest (around 75%). To some extent, the above distribution reflects difference in the economic structure and the relative importance of small and medium-sized enterprises.

Between 25% and 50% of migrant entrepreneurs employ other individuals in addition to themselves. The majority of these employ fewer than ten individuals. Although migrant entrepreneurs’ average firm size is smaller than that of natives, the overall distribution is broadly similar. Almost all businesses owned by entrepreneurs have fewer than fifty employees, both among migrants and for natives.

#### ***Migrant entrepreneurs’ contribution to total employment has been increasing steadily during the period 1998-2008***

This calculation of the number of individuals employed by migrant entrepreneurs is made only for European OECD countries because of limited data availability in other countries.<sup>14</sup> The EU Labour Force Survey allows identifying the number of employees of self-employed. Data are only available for the firm-size bands used in Table II.7. The contribution of migrant entrepreneurs to employment creation is therefore calculated based on the lower-bound figure, so the estimate should be considered a minimum value. Employment creation could also be overestimated if partners of the same business both declare in the labour force survey that they are self-employed with employees.

The number of individuals employed by migrant entrepreneurs during the period 1998-2008 and the corresponding share of total employment are shown in Table II.8. Every year, migrant entrepreneurs employ an average of at least 2.4% of the total employed

Table II.7. **Distribution of firms owned by foreign- and native-born entrepreneurs, by size, 1998-2008**

Percentages

	Foreign-born						Native-born					
	1	2 to 10	11 to 19	20 to 49	50 or more	Total	1	2 to 10	11 to 19	20 to 49	50 or more	Total
Austria	50.0	46.2	2.1	0.9	0.8	100.0	36.3	55.9	3.6	2.7	1.4	100.0
Belgium	70.7	25.0	2.1	1.1	1.1	100.0	67.6	26.5	2.9	2.0	1.0	100.0
Czech Republic	69.2	20.3	6.3	2.3	1.9	100.0	75.1	18.8	3.0	1.9	1.2	100.0
Denmark	55.7	38.1	3.5	1.7	1.0	100.0	46.3	39.4	7.6	4.1	2.7	100.0
France	65.0	29.4	3.6	1.1	0.9	100.0	59.9	33.1	4.5	1.6	0.9	100.0
Germany	52.5	42.3	3.1	1.4	0.6	100.0	47.1	42.2	5.6	3.2	1.9	100.0
Greece	74.9	22.8	1.5	0.3	0.5	100.0	67.9	28.8	2.2	0.8	0.3	100.0
Hungary	47.3	44.1	4.9	1.4	2.2	100.0	58.3	35.0	4.0	1.9	0.9	100.0
Ireland	73.3	21.8	2.3	1.8	0.8	100.0	70.7	23.6	2.8	1.8	1.1	100.0
Italy	75.1	22.4	1.8	0.3	0.4	100.0	58.6	35.5	3.5	1.5	0.9	100.0
Luxembourg	57.2	34.3	5.4	2.1	1.1	100.0	44.9	40.4	8.3	4.1	2.4	100.0
Netherlands	65.3	28.0	3.5	2.1	1.2	100.0	58.4	29.7	5.8	4.0	2.2	100.0
Norway	77.7	20.4	0.7	0.4	0.8	100.0	78.0	19.3	1.6	0.6	0.5	100.0
Poland	68.7	24.1	1.8	2.3	3.0	100.0	60.4	33.1	3.8	2.0	0.7	100.0
Portugal	63.5	30.4	4.4	1.2	0.5	100.0	60.5	32.7	5.2	1.1	0.5	100.0
Slovak Republic	67.3	26.2	5.5	0.0	1.0	100.0	75.9	20.0	2.8	1.0	0.4	100.0
Spain	73.5	23.3	1.8	1.1	0.4	100.0	71.5	23.2	3.2	1.4	0.7	100.0
Sweden	63.4	33.2	1.6	1.6	0.2	100.0	56.9	34.2	4.7	3.1	1.1	100.0
Switzerland	51.9	37.2	4.4	2.3	4.2	100.0	43.6	41.7	6.7	4.2	3.8	100.0
United Kingdom	73.3	19.7	3.2	2.6	1.2	100.0	77.8	15.7	2.8	2.2	1.4	100.0
United States <sup>1</sup>	..	79.1	7.0	4.0	6.8	100.0	..	79.2	6.9	4.5	6.9	100.0
<b>OECD</b>	<b>64.8</b>	<b>31.8</b>	<b>3.4</b>	<b>1.5</b>	<b>1.5</b>	<b>100.0</b>	<b>60.8</b>	<b>33.7</b>	<b>4.4</b>	<b>2.4</b>	<b>1.6</b>	<b>100.0</b>

1. For the United States, the firm size categories are the following: category labelled "2-10" corresponds to under 10 (including 1), category labelled "11 to 19" corresponds to 10 to 24, category labelled "20 to 49" corresponds to 25 to 99 and category labelled "50 or more" corresponds to 100 or more.

Sources: EU Labour Force Survey 1998-2008; US CPS March supplement, 1998-2008.

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population in OECD countries. In both 2007 and 2008, migrant entrepreneurs annually employed more than 750 000 individuals in Germany, around half a million in the United Kingdom and Spain, almost 400 000 in France and around 300 000 in Italy.

In relative terms, this contribution to employment is equivalent to between 1.5-3% of the total employed labour force in most OECD countries (Table II.8). Only eastern European countries and Greece have a lower share of employment by migrant entrepreneurs. The countries where migrants contribute the most to overall employment are Switzerland (9.4%), Luxembourg (8.5%) and Ireland (4.9%). While data limitations do not allow us to study if migrants employ mostly other migrants or not, other studies have shown that migrants employ natives as well as other migrants but also natives. For example, Chinese entrepreneurs in Canada employed over 650 000 workers in 2006, the majority of which were non-Chinese (see Li in OECD, 2010).

The contribution of migrant entrepreneurs to overall employment has been increasing over time in most OECD countries. From 1998 to 2008, the number of individuals employed by migrant entrepreneurs increased in Spain, Italy, Austria, Germany, and the Netherlands among others. In the United Kingdom and France, the level of employment remained high.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

**Table II.8. Persons employed in firms of immigrant entrepreneurs and their share of employment in firms of all entrepreneurs, 1998-2008**

	Persons employed in firms of immigrant entrepreneurs				Share of employment in firms of all entrepreneurs			
	1998-2000	2001-03	2004-06	2007-08	1998-2000	2001-03	2004-06	2007-08
	Thousands				Percentage			
Austria	52	54	59	73	7.8	8.3	7.3	8.5
Belgium	74	94	107	100	15.7	11.8	10.2	9.2
Czech Republic	..	45	50	72	..	3.7	4.0	5.3
Denmark	11	24	27	50	1.6	3.5	4.3	7.4
France	396	475	309	382	12.6	11.7	10.3	12.8
Germany	529	593	664	757	5.9	6.8	7.5	7.7
Greece	21	31	34	41	2.1	2.9	3.0	3.4
Hungary	7	23	34	33	1.8	3.4	3.3	3.9
Ireland	..	28	49	79	..	8.0	9.5	20.5
Italy	41	95	190	282	0.4	0.9	2.7	4.1
Luxembourg	10	12	11	14	22.5	36.8	34.9	41.0
Netherlands	71	36	121	115	5.1	7.6	7.4	6.3
Norway	4	8	8	14	3.7	10.3	10.2	11.2
Poland	..	..	15	56	..	..	0.6	2.0
Portugal	57	71	79	61	4.7	5.5	6.3	5.7
Slovak Republic	..	1	8	3	..	0.1	0.4	0.2
Spain	131	201	185	487	4.0	5.9	6.3	8.8
Sweden	46	61	76	84	6.0	8.1	9.4	10.7
Switzerland	..	228	315	243	..	20.8	20.2	19.2
United Kingdom	579	667	621	530	12.3	14.3	13.1	10.9

Note: Employment by foreign-born entrepreneurs is the estimated minimum number of individuals employed in a firm owned by a foreign-born self-employed. Share of employment is the ratio between the estimated minimum number of individuals employed in a firm owned by a foreign-born self-employed divided by the total population aged 15-64 employed by self-employed individuals in the country.

Source: EU Labour Force Survey, 1998-2008.

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These numbers are approximate and might underestimate total employment creation by migrant entrepreneurs. An alternative measure of employment creation can be estimated for small enterprises (less than ten employees) where the exact number of employees is known. The total number of jobs created when considering only those firms corresponds to one-third to two-thirds of the overall employment creation estimated in Table II.8.

### ***A foreign-born entrepreneur in a small firm creates on average between 1.4 and 2.1 additional jobs***

A complementary perspective to the overall contribution to employment of migrant entrepreneurs is the average individual contribution of each single entrepreneur. This individual number of additional jobs is estimated for firms with under 50 employees<sup>15</sup> and shown in Table II.9. Every self-employed migrant creates on average between 1.4 and 2.1 additional jobs.

Although these figures have to be treated with caution given the dispersion between the minimum and maximum figures and other data limitations, they highlight the positive contribution to employment of migrant entrepreneurs. However, the comparison with natives suggests that migrant entrepreneurs create relatively fewer jobs. The few exceptions to this general observation are the Czech Republic, Hungary, the Slovak Republic and the United Kingdom, where self-employed migrants seem to create more jobs than self-employed natives.

**Table II.9. Average number of jobs created per foreign- and native-born self-employed person, firms under 50 employees, 1998-2008**

	Foreign-born		Native-born		Ratio of foreign-born to native-born
	Min	Max	Min	Max	Percentage
Austria	1.6	1.9	2.5	3.5	59
Belgium	1.2	1.7	1.5	2.3	76
Czech Republic	1.9	3.1	1.3	2.1	146
Denmark	1.8	2.5	3.0	4.8	55
France	1.3	1.9	1.7	2.6	77
Germany	1.8	2.5	2.6	4.0	64
Greece	0.8	1.0	1.1	1.5	69
Hungary	1.8	2.6	1.6	2.5	108
Ireland	0.9	1.4	1.0	1.5	93
Italy	1.1	1.4	1.7	2.4	62
Luxembourg	2.1	3.1	3.0	4.9	65
Netherlands	1.4	2.2	2.0	3.5	63
Norway	0.7	0.9	0.8	1.2	79
Poland	1.5	2.4	1.8	2.7	90
Portugal	1.6	2.4	1.7	2.5	96
Slovak Republic	1.3	1.7	1.1	1.6	112
Spain	1.1	1.5	1.2	1.9	81
Sweden	1.4	1.9	2.3	3.6	56
Switzerland	2.3	3.3	3.1	5.2	68
United Kingdom	1.5	2.6	1.3	2.1	120
<b>OECD</b>	<b>1.4</b>	<b>2.1</b>	<b>1.8</b>	<b>2.8</b>	<b>77</b>

Note: Min and Max correspond to the average number of jobs created by each foreign- and native-born self-employed persons in firms under 50 employees using either the minimum or the maximum values of each firm size band used in public statistics.

Source: EU Labour Force Survey, 1998-2008.

StatLink  <http://dx.doi.org/10.1787/888932442237>

### ***Migrant entrepreneurs can also contribute to increased entrepreneurship, innovation and trade in their host countries***

Migrant entrepreneurs' contributions to their host country are not limited to job creation. Migrant entrepreneurs can help to increase the overall level of entrepreneurship, innovation and trade of the host country. Wadhwa *et al.* (2007) documented that 25% of all engineering and technological companies founded in the United States in the last ten years were founded by a migrant. Hunt in OECD (2010) has shown that skilled migrants outperform natives in terms of patenting, commercialising or licensing patents, publishing and starting successful firms in the United States.

Overall, all migrants (and not only those who are entrepreneurs) can contribute to increase the level of entrepreneurship of the host-country economy and its innovation potential. In the United States, skilled migrants boost total factor productivity and per capita GDP growth (see Hunt in OECD, 2010). They also have positive spill-over effects on natives and are responsible for one third of the increase in patenting per capita in the 1990s.

In addition, migrants can contribute to enhance host-country trade opportunities. Migrants can lower trade-related transaction costs with their countries of origin, using their contact networks and knowledge about their countries' markets. In Sweden, 22% of foreign-owned businesses target their goods and services, at least partially, for the international market, compared with 15% of native-owned businesses [Swedish Agency for

*Economic and Regional Growth (2007)*]. Hatzigeorgiou in OECD (2010) has shown as well that a 10% increase in the migrant stock in Sweden has been associated with a 6% increase in exports and a 9% increase in imports on average. This finding suggests that migrants can play an important role as facilitators of foreign trade by reducing implicit trade barriers with their countries of origin.

This section has highlighted the contribution of migrant entrepreneurs to employment creation and to overall economic growth of the host country. Nevertheless, migrant entrepreneurs' contribution to host countries has a lot of untapped potential. Several OECD countries have implemented specific migration policies to promote migrant entrepreneurship and improve its positive contribution to economic growth. Those policy measures are analysed in the next section.

## 2. Specific policy measures to foster migrant entrepreneurship in OECD countries

A majority of OECD countries have recently introduced policies to foster migrant entrepreneurship. Two main types of measures targeted at migrant entrepreneurs and investors may be distinguished. For immigrant entrepreneurs already established in the receiving country, specific *support measures* aim to enhance their capacity for business development. For foreign entrepreneurs and investors abroad, specific *admission policies* select candidates whose human and financial capital and business plans are likely to meet the country's economic needs and ensure the success of their businesses.

Migrant entrepreneurs may face specific linguistic, social and cultural barriers that limit the successful development of their business. Several OECD countries have set up support measures to help overcome those barriers. These measures consist mostly in programmes to strengthen immigrant entrepreneurs' human and social capital, as well as their business skills. In addition, specific measures try to improve or ensure equality in access to credit. These support measures are discussed in Section 2.1.

Specific admission policies for foreign entrepreneurs and investors consist mainly of the specific criteria used to select candidates for admission and monitoring measures to regulate the entry and stay of those immigration candidates. These policies are described in Section 2.2, which is largely based on the responses to a questionnaire that the OECD Secretariat sent to the OECD countries in September 2009. A more detailed comparative analysis of those policies can be found in the chapter's Annex. Section 2.2 also examines the extent to which foreign-born entrepreneurs enter through specific admission programmes rather than other channels, and the extent to which the availability of investor visas drives investment.

### 2.1. Targeted measures to support migrant businesses development in OECD countries

Migrant and native entrepreneurs face many of the same problems in setting up and developing their businesses. However, specific constraints appear to affect migrant entrepreneurs in particular. The skills and competencies that migrant entrepreneurs bring from their home countries are often not adapted to the host-country environment. They frequently have limited host-country specific language and business skills and lack familiarity with the overall functioning of the host countries' markets.

Administrative and bureaucratic procedures to which entrepreneurs are subject may be particularly burdensome for migrants. Procedures, such as registering the business, obtaining a professional permit and joining the relevant chamber of commerce or professional body, can prove to be especially complicated for recently-arrived immigrants. Other procedures and related administrative formalities specific to migrants are mostly related to their migration status (i.e. residence or employment permits) or to the sector or profession in which they want to set up a business.

To help migrant entrepreneurs overcome those specific difficulties, targeted support measures have been implemented for entrepreneurs of immigrant background – i.e. first generations as well as members of ethnic communities born in the host country – in different phases of business development – i.e. nascent as well as established entrepreneurs. More specific business support measures targeting a particular sub-group in the immigrant population, such as newcomers, women, refugees or members of specific ethnic communities, also exist in some countries.<sup>16</sup>

The distribution of targeted support measures for entrepreneurs with immigrant background across OECD countries is uneven. Most of those measures are to be found in countries with a long immigration history: the United States, Canada and a number of North-Western European countries (the United Kingdom, Germany, the Netherlands, Belgium and the Nordic Countries). In particular, in the United States many targeted public and private programmes to support migrant and minority business have been carried out since the late 1960's. A smaller number of targeted schemes to foster migrant entrepreneurship have been implemented in countries with a more recent experience of immigration, such as Southern and Central-Eastern European countries (see also Kloosterman and Rath in OECD, 2010).

Targeted support measures to foster entrepreneurship among populations with an immigrant background in OECD countries cover not only public but also private initiatives – as in the case of programmes for migrant business development initiated by private banks, credit unions or private associations. Even when they originate in public policy initiatives, support measures for migrant entrepreneurs are, in most cases, run by intermediaries (local government, Chambers of Commerce, business associations and unions, as well as NGOs and other private organisations).

A majority of public business support programmes dedicated to entrepreneurs with an immigrant background are carried out at the regional or local level, in areas where the migrant population is more concentrated, even if their funding is derived from national/federal or even supra-national (in the case of EU member countries) integration or economic development programmes. In Canada, several Provinces and Territories provide guidance and support for new immigrants.

### ***Most targeted support measures focus on empowering migrant entrepreneurs by strengthening their human and social resources***

Targeted measures to foster entrepreneurship among populations with an immigrant background generally focus on the entrepreneurs' skills rather than on the economic environment. Usually these "knowledge-based" measures provide information on business regulations and mainstream business support services; educational services and training in language, managerial and marketing skills; and advice and counselling. Measures to build social capital include mentoring, tailored services to improve the network-building

capacity of migrant entrepreneurs and to facilitate their access to mainstream business networks and mainstream markets. Two selected current programmes in OECD countries are presented below.<sup>17</sup>

The *Zentrum für Existenzgründungen und Betriebe von Migrantinnen und Migranten*, a semi-public organisation funded by the City of Hamburg and the European Social Fund, has run the *Unternehmer ohne Grenzen* (Entrepreneurs without borders) programme since 2000. The programme offers counselling services as well as seminars and briefings on legal and fiscal issues intended to improve migrant entrepreneurs' knowledge of local labour law, income and corporate tax, and social security legislation. More general knowledge-based services – such as training courses in financing, production, investment and marketing and assistance in business planning and accounting – are also delivered. The programme also facilitates migrant entrepreneurs' access to mainstream business organisations and their insertion in local business structures.

The UK's *Ethnic Minority Business Service (EMBS)*, offers another example of targeted support programme for entrepreneurs with immigrant background, covering all aspects of business development, from help with start-up finance, to ongoing support for more mature businesses. The EMBS was launched in 1987 as a one-stop shop for business advice and support to Black and Minority communities in the city of Bolton. Business support activities under the EMBS are carried out following a three-stage model, with community outreach and individual needs assessment prior to the actual delivery of business support services. Services are offered in various languages and consist of training, counselling and financing facilitation both for nascent and established entrepreneurs. Start-up assistance includes raising finance, business skills training, business planning, locating premises and book-keeping. Seminars are also provided on tax and employment legislation, patenting and trade marking, promotion, marketing, entering international markets, and IT services. Immigrant businesses assisted by the programme between 2001-06 showed a 90% two-year business survival rate against a national benchmark of 62%.

***Ensuring the equality of opportunities for migrant entrepreneurs in accessing finance is a key measure to support migrant business development***

Access to credit is a very important issue for entrepreneurship, as the lack of adequate finance is one of the main obstacles to business development. Those entrepreneurs without sufficient wealth to provide as collateral often face difficulties accessing credit to finance their business ventures (Evans and Jovanovic, 1989; Evans and Leighton, 1989; Blanchflower and Oswald, 1998). Fairlie (2005) and Fairlie and Woodruff (2008) have shown that low levels of asset holdings (in addition to education) are an important limit to the development of migrant businesses in United States.

Migrant entrepreneurs face greater problems accessing finance than native entrepreneurs. This is not entirely due to the limited bankability of migrant enterprises or to more stringent criteria applied by banks in granting loans to migrant entrepreneurs compared to natives. Migrant businesses have a higher failure rate compared with native businesses, so financing those businesses exposes the lender to higher default risks. Migrant enterprises might also lack credit history due to their shorter existence, their stronger reliance on savings and, to a greater extent, to the lack of recognition of credit histories in cross-border cases. There is no recognition and practice of exchange of credit

information between national credit registers. In addition, in many cases migrants have no access to their home countries credit registers in order to provide the data to the host country's lending institutions (see Bobeva in OECD, 2010).

Credit institutions also have some weaknesses while dealing with migrant clients. In most cases they lack knowledge, expertise and understanding of this specific group of corporate clients, resulting in higher perceived risk for migrant borrowers. More generally, the conservative approach of lenders towards new client groups partly explains the reluctance of banks to finance migrant enterprises. A negative assessment of creditworthiness and the consequent rejection of the credit application have further negative effects on access to credit for migrant entrepreneurs.

Migrant entrepreneurs can face discrimination when trying to get access to finance. In fact, Blanchflower, Levine and Zimmerman (2003) have shown that ethnic minorities in United States were twice as likely to be denied credit even after controlling for their credit-worthiness and other factors. In addition, in those cases when the credit was approved, ethnic minorities were more likely to pay higher interest than equivalent non-minority individuals (Blanchflower, 2009). Albareto and Mistrulli (2010) have shown that migrant entrepreneurs running small businesses in Italy pay on average 70 basis points more for credit than equivalent native-born entrepreneurs.

As a result, migrant entrepreneurs often rely on informal networks, such as family or community, to obtain finance, rather than formal credit providers. Reliance on community finance however might hamper the potential expansion of the business, in particular beyond the community.

Various support measures – both public and private – have been implemented in OECD countries to facilitate access to bank loans for migrant entrepreneurs. In Sweden, a three-year programme to promote entrepreneurship among people with a foreign background initiated in 2008 by the Ministry of Enterprise, Energy and Communications and implemented by the Swedish Agency for Economic and Regional growth (NUTEK), includes specific measures to increase banks' awareness of the needs of migrant business owners in order to facilitate the extension of loans to those clients. In Denmark, a scheme offering bank loans up to DKK 1 million for the creation of a business has been introduced specifically to facilitate access to credit for migrant entrepreneurs.

At the private level, some banking institutions have implemented programmes aimed at encouraging the set-up and development of migrant enterprises. For example, Capital One Bank, Canadian Imperial Bank of Commerce and Union Bank offer tailored services for migrant enterprises such as seed loans for start-up business, expansion of loans for growing businesses and other products that incubate new immigrant enterprises until they reach the level to qualify for a regular loan from the bank (see Bobeva in OECD, 2010).

A different approach to improve migrant entrepreneurs' access to credit consists in creating alternative funding sources targeted at migrants outside the regular financial institutions. Their aim is to fill in the gap of financing, particularly for those migrant enterprises that face difficulties to obtain credit from banks. Special programmes aimed at financing migrant businesses through funds made available by the government, the communities, NGOs or associations, are more common in the United States and Canada, but have been appearing recently in some European countries. Credit unions are one of the traditional alternative sources of financing for migrant enterprises.

Not all migration countries within the OECD have public policy support measures directly targeting entrepreneurs of immigrant background. In France, specific programmes to enhance business development tend to target economically depressed areas – and all the potential as well as established entrepreneurs resident in those areas – rather than migrant entrepreneurs as a special group. However, since immigrants tend to be overrepresented in those areas, they appear to be an indirect target of those programmes. The same generally holds true for measures promoting entrepreneurship among vulnerable or socially disadvantaged groups, like unemployed persons.<sup>18</sup> In Australia, while no policy measures specifically help immigrants establish new businesses, a range of State and Federal grants and funding programmes support existing businesses, regardless of the owner's origin. As a rule, mainstream business support programmes implemented under national economic, innovation or education policies are intended for all entrepreneurs in a country and their services are delivered both to native and migrant entrepreneurs.<sup>19</sup>

### **2.2. The role of specific admission policies for the entry and stay of foreign entrepreneurs and investors in OECD countries**

While integration policy may seek to *support* resident immigrants in the creation and expansion of their entrepreneurial activities, migration policy is designed to *attract* immigrants likely to contribute to the development of entrepreneurship in their host country, and encourage them to settle. Most OECD countries have entry and residence policies specifically to admit foreigners who intend to create or operate their own business or invest their capital.

The first to target admission programmes to foreign entrepreneurs and investors were settlement countries. Canada and Australia introduced specific regulations for the entry and stay of these specific groups of immigrants already in the 1970s, and the United States and New Zealand followed in the 1990s. Over time, these regulations have evolved into complex systems for managing the immigration of these particular categories of economic migrants. Specific admission policies and permit regimes targeting migrant entrepreneurs and investors have been introduced in other OECD countries more recently, and the trend accelerated over the past decade (for a detailed comparative description of such programmes, see the Annex II.A1).

The specific admission policies and permit regimes are intended to ensure that, once admitted, those migrants bring a contribution to employment creation and economic growth in their host country. Measures to reach this objective include specific admission criteria designed to select those candidates whose human and/or financial capital and business or investment project are likely to meet the country's economic needs, and measures to monitor the compliance with the conditions of admission over time, in order both to prevent the abuse of immigration procedures and to assess the positive effects of the established immigrant business on the host country's economy. Entry, stay and renewal of permits are authorised on the basis of those specific admission criteria and monitoring mechanisms.

Some entrepreneurs and investors may come from countries that have concluded agreements on freedom of movement and establishment, or other international agreements which allow for more favourable admission requirements for entrepreneurs and investors of signatory countries.<sup>20</sup> Specific admission policies for foreign entrepreneurs and investors are only relevant for entrepreneurs and investors from countries outside such agreements.

### 2.2.1. Specific Admission policies and permit regimes: main characteristics and objectives

The definitions of a *foreign entrepreneur* and of a *foreign investor* in this section are based on administrative classifications. Thus, they do not cover all non-nationals owning a business or managing an investment, many of whom may have entered through other channels (e.g. skilled migration, employer-sponsored, family, humanitarian, free movement) or even have been born in the host country. For the purpose of this section, a *foreign entrepreneur* and a *foreign investor* are those foreigners admitted to stay in a country in order, respectively, to create a business/be self-employed or to invest capital in that country, according to the administrative definitions of the permits granted. The entrepreneur category, as intended in this section, comprises both foreign self-employed that employ others and those who employ only themselves, as most OECD countries admit such migrants on the same terms as entrepreneurs. A few OECD countries have separate rules for the admission of self-employed that employ only themselves and those who employ also other persons.<sup>21</sup>

A distinction is drawn in this section between migration policies governing the entry and stay of foreigners for the purpose of creating a business or self-employment (admission policies for foreign entrepreneurs – Tables II.A1.1a and II.A1.1b in the Annex II.A1), and those that apply to foreigners wishing to invest capital without necessarily being personally involved in managing the business (admission policies for foreign investors – Table II.A1.2 in the Annex II.A1). While separate admission regimes generally apply to those two categories, in practice, the distinction is less clear when the immigrant is the head of a large business. Consequently, some OECD countries have recently introduced admission measures that may apply both to entrepreneurs with large-scale projects and to foreign investors.<sup>22</sup>

**The admission of foreign entrepreneurs and investors in OECD countries is conditional on several criteria.** For foreign entrepreneurs, visa or residence permit eligibility criteria generally concern both the personal characteristics of the applicant and the planned business. The most frequent conditions for candidates wishing to immigrate as entrepreneurs concern their experience in managing or controlling a business, their assets and their proficiency in the host-country language. There may also be age criteria. In addition, the candidate is generally required to submit a business plan so that the economic viability of the planned business and its possible contribution to the host country's economic growth can be assessed. The latter aspect may involve a requirement to provide a minimum amount of capital or create a certain number of jobs in the host country.

The eligibility criteria described above are to be found in most of the admission systems used in OECD countries to manage the migration of foreign entrepreneurs. However, the weight assigned to each criterion and the precision with which they are defined may vary from one country to another (see Table II.A1.1a in the Annex II.A1 for more details).

Canada and Australia place particular importance on business experience. The business experience is assessed via a points-based system under which other personal characteristics of the applicant are evaluated. A minimum net worth is also required to be admitted in Canada as an entrepreneur.

In Australia, the Business Talent, Business Owner Provisional and State/Territory Sponsored Business Owner Provisional visas are reserved for foreign entrepreneurs who have already had a successful business career in their home country or elsewhere and who wish to come to Australia to create a new business or take part in an existing one.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

The size of the investment and the number of jobs created or preserved are the main criteria for the admission of foreign entrepreneurs in the United States,<sup>23</sup> Germany and Ireland. In the United States and Ireland, minimum levels of investment capital and minimum number of jobs are set. In Germany, a residence permit for the pursuit of an independent business activity may be granted provided that it corresponds to an economic interest or meets a major regional need. These conditions are generally deemed to be met where the investment is at least EUR 250 000 and at least five jobs are created. If these levels are not met, the local authorities and chamber of commerce assess the viability of the business plan. Under the new law, a self-employment residence permit may also be granted to foreign professionals wishing to work on a freelance basis (without employing others) if they can be beneficial to the German economy, especially as regards innovation.

A minimum initial investment is a general condition for the issuance of a permit for the purpose of self-employment also in Greece and in Korea. In Japan, foreign entrepreneurs and business people who propose to create or manage a business capable of employing at least two people full-time (plus the entrepreneur) may be granted investor/business manager status. At least three years' experience of managing a company is also required if the immigrant wishes to settle in order to pursue a managerial activity.

In the United Kingdom, one of the four immigration sub-categories in Tier 1 of the new points-based migration management system is for foreign entrepreneurs who plan to create or take over a business employing other persons and be personally involved in managing it. To qualify for this category, foreign entrepreneurs must prove a minimum net worth and show that they are proficient in English and can support themselves and any dependents while they are in the United Kingdom.<sup>24</sup>

Apart from the countries mentioned above, most OECD countries do not define precisely the criteria for granting a visa or residence permit to foreign entrepreneurs. The personal characteristics of the applicant as well as the viability of the business plan are subject to discretionary assessment on the basis of the contribution to the home country's economic growth. The authorities competent for the assessment may be economic authorities, special committees, or the within the migration authority itself, and the requirements, documentation, and procedures may be more or less structured depending on the country.<sup>25</sup>

The Czech Republic is a special case. The need to develop private enterprise following the collapse of the Soviet Union led to the introduction of extremely liberal rules for the admission of foreign entrepreneurs and self-employed workers. Any adult foreigner without a criminal record who has accommodation and sufficient financial resources for self-support<sup>26</sup> may apply for a visa as a self-employed worker. This has resulted in high inflows of so-called "pretend self-employed". In addition, in recent years, in the context of the economic crisis, an increasing number of unemployed immigrants took advantage of the less stringent requirements to change status from employment to business activity and remain in the Czech Republic. As a consequence, an amendment to the Act on Residence of Foreign Nationals, which came into force on 1 January 2011, tightened the conditions for status changes into self-employment, introducing a 2-year legal residence requirement.

A handful of countries, notably Austria, Italy, Switzerland and the United States, set a quota for annual admissions of foreigners for the purpose of self-employment. The cap in the United States is far higher than the actual number of applicants, while the Italian cap is oversubscribed.<sup>27</sup> In Switzerland, the immigration of non-EU/EFTA nationals for the

purpose of self-employment is allowed within the cantonal quotas for the admission of third-country nationals (applying both to employees and self-employed). In Austria, the first issuance of a settlement permit for the purpose of self-employment is subject to the respect of the authorised quotas, as with all other categories of settlement permits.

In addition to the admission arrangements for entrepreneurs, the migration systems of a few OECD countries (i.e. Australia, Canada, France, Greece, Korea, the United Kingdom and New Zealand<sup>28</sup>) include categories of visas and residence permits specifically intended for foreign investors. As a rule, admission under this category requires a significant investment in the country, either in bonds of equity interests of companies registered in the country or in national treasury bonds (property investments do not usually qualify). The amount of investment capital required ranges from as little as EUR 300 000 in Greece, to EUR 10 million in France.<sup>29</sup>

### Box 2.2. The Canadian immigrant investor programme

The Canadian immigrant investor programme differs from the other specific admission programmes for foreign investors implemented in OECD countries, since foreigners admitted to Canada under the scheme are not entitled to place or manage their investment (at least CAD 800 000). Citizenship and Immigration Canada manages the investment for five years, distributing funds to the participating Provinces and Territories and ensuring that they are used to create or preserve jobs. The Provinces and Territories are entirely responsible for deciding how to invest the capital in order to maximize the benefits for local economic development. They must also reimburse the entire capital – without interest – after the five years are up. Currently, British Columbia, Manitoba, Ontario, Nova Scotia, Prince Edward Island, Newfoundland and Labrador and the Northwest Territories participate in the immigrant investor program.

Essentially, immigrant investor capital provides a revolving pool of low-cost investment capital to Provinces and Territories, who determine how it is best invested within their regions. The Provinces and Territories are currently managing almost CAD 2 billion of five-year revolving capital from the immigrant investor programme. In 2009 alone, almost CAD 500 million was allocated through the program. On the other hand, available data and research suggest that foreigners selected for the investor category fare poorly in the Canadian economy, in terms of their economic outcomes, and they do not make a substantial entrepreneurial contribution.

For the immigration application to be accepted, the applicant must undertake to invest the stated sum, have a legally obtained net worth of at least CAD 1.6 million, and prove two years' personal experience of managing an investment or an enterprise. Foreign investors must score 35 points in a selection chart based on criteria of age, education, language proficiency and adaptability to the local context.

Prior to 1 December 2010, the investment and net worth requirement were half the actual thresholds (i.e. CAD 400 000 and 800 000, respectively). In light of the high volume of applications in recent years, a rising inventory and longer processing times, the requirements were doubled, although other criteria remained the same. The higher investment amounts were introduced to provide Provinces and Territories with a greater amount of capital, while higher personal net worth criteria are aimed at better positioning the programme to attract investors with valuable global business links and the resources to make secondary investments into the Canadian economy. A "grandfather" rule allows applications received before 26 June 2010 – when the new thresholds were published – to be processed according to the legislation in effect at the time of receipt.

In accordance with the Canada-Quebec Accord\*, the new thresholds are the same for both federal investor class applicants and for Quebec-selected investors.

\* Under the Canada-Quebec Accord, Quebec has its own business immigrant programme, based on the three categories of self-employed persons, entrepreneurs and investors.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

The choice made in a number of OECD countries to make the admission of foreign entrepreneurs and investors conditional on strict eligibility criteria, precisely defined as minimum thresholds of investment capital, experience, number of jobs to be created, language knowledge or education, may be explained by the need to ensure that those immigrants selected under the targeted admission schemes have the human, social and financial resources to bring a successful entrepreneurial contribution to their host countries. However, tight requirements for admission may also make a country less attractive for foreign entrepreneurs and investors than another and thus lose out on a valuable entrepreneurial contribution. In practice, it is no easy task to find threshold levels which achieve a satisfactory balance between these potentially conflicting aims. In New Zealand, for example, the business immigration programme has been reformed several times in the past decade to achieve such a balance. In 2002, a number of policy changes were made to the programme introduced just three years earlier, tightening language and operational requirements and introducing a stricter definition of a business that is “beneficial to New Zealand”. Those changes resulted in a significant decrease of inflows, and the programme was modified again in 2005 and 2007. In the period 2008-09, 413 people were approved for residence in New Zealand through the Business categories, representing about 1% of all residence approvals in this period. This was seen as insufficient and a new business migration package was introduced in July 2009, with the aim to make New Zealand more attractive for business migrants (see Tables II.A1.1a and II.A1.2 in the Annex II.A1 for a detailed description of the admission requirements under this new system).<sup>30</sup>

Another way to ensure that immigrants admitted to a country for the purpose of establishing a business or making an investment bring a valuable contribution to the host country’s economic growth is to select the applicants according to their capacity to meet specific economic needs, or to boost the economy of certain regions where business activity is less prevalent or in decline. Simplified conditions of admission exist in several OECD countries for entrepreneurs and investors who establish their business in such regions or where there is particularly strong demand for certain types of job or economic activity.

In the United States, up to 10 000 EB-5 visas (including spouses and children) may be granted each year to foreigners who invest at least USD 1 million in the creation of a new commercial enterprise that employs at least ten full-time American workers (or foreigners authorised to work in the United States). However, the minimum capital requirement for an EB-5 visa is halved for investments in a rural area or in an area where the unemployment rate is two and a half times higher than the national average (Targeted Employment Area, TEA). The actual number of recipients of the visa is very low – about 250 in 2009, most of whom were already in the United States and adjusted status (source: US Department of State).

A further 3 000 EB-5 visas may be granted each year under less stringent criteria through a pilot scheme for investments affiliated with federally-designated “regional centres”. Regional centres are business entities, private or public, that co-ordinate foreign investment within a single geographic area.<sup>31</sup> Foreign investors may receive EB-5 visas for investment in any designated regional centre, and are only required to *indirectly* create at least 10 jobs (“induced jobs”). The pilot scheme, introduced in 1993 for a five-year period, has been extended several times and is due to end in September 2012. The number of green cards issued under the pilot scheme has risen sharply since 2005, albeit from very low numbers, and now accounts for most EB-5 visas. In 2009, there were about 1 200 incoming entrepreneurs investing in regional centres, up from 230 in 2007.

In Australia, simplified criteria apply for the issuance of State/Territory-Sponsored Investor and State/Territory-Sponsored Business Owner Provisional visas to encourage foreign investors and entrepreneurs to establish their business in certain areas. For the programme year 2008-09, a total of 472 entries were recorded under the State/Territory-Sponsored Investor visa, compared to only 12 under the general programme. Similarly, for the same year, 5 740 entries were registered under the State/Territory-Sponsored Business Provisional visa, compared with 129 under the general programme (data include dependants).

Foreigners wishing to immigrate into Germany to carry on an independent business there may be admitted even if their investment is below the EUR 250 000 generally required, provided that their proposed business or their skills meet a specific regional need. In this case, they may be granted a permit that authorises them only to carry out a certain type of independent activity in a particular region. In Greece, immigration applications for entrepreneurial activity are examined by the authorities in the region where the immigrant wishes to settle.

**Permit renewal is conditional on compliance over time with the initial admission requirements.** In most OECD countries, residence permits for foreign entrepreneurs and investors are temporary, though they may be renewed or converted into permanent residence permits after a certain time. For the initial permit to be renewed, the immigrant entrepreneur or investor must generally furnish proof that the business activity proposed in the immigration application has actually been established or that the promised investment has been made and maintained. Thus, permit renewal is a key element for monitoring compliance with the conditions for admission to carry out an independent economic activity. The average length of permits granted to foreign entrepreneurs on first admission into an OECD country is two years (see the Annex II.A1, Table II.A1.1b for more details).

In Australia, Business Owner Provisional and State/Territory-Sponsored Business Owner Provisional visas are granted for a four-year period. However, after two years in the country under one of these visas, the holder may apply for a Business Owner Residence or State/Territory-Sponsored Business Owner visa respectively, which grant permanent residence. These two types of visa are granted based on the success of the business, and a permanent residence permit is conditional on the creation of at least two full-time jobs for Australian residents.

In New Zealand, the Long-Term Business Visa is initially granted for a probationary nine-month period. Foreign entrepreneurs who have actually established the business proposed in the business plan during that period are entitled to a 27-month extension. The Long-Term Business Permit is one stage in the process of acquiring the right of residence, and after two years in New Zealand on the permit, a successful immigrant entrepreneur may apply under the Entrepreneur and Entrepreneur Plus permanent immigration schemes. As the Long-Term Business Permit may be renewed only once, for an additional three years, the entrepreneur must either qualify for the permanent scheme or leave the country.

In most OECD countries with specific systems for admitting foreign investors, the first permit is granted for a three- or four-year period (see the Annex II.A1, Table II.A1.2). Compliance with the conditions for admission, especially actual realisation of the investment, is monitored while the first permit is valid (between three months and one year after issuance<sup>32</sup>). If checks show that the investment project has not come to fruition,

the permit may be withdrawn early. After the first permit expires, the immigrant investor may apply for a new residence permit, either temporary or permanent, provided that the initial investment has been maintained. Eligibility for renewal or extension requires a minimum consecutive stay in the host country during the validity of the first permit. Proof of language proficiency may also be a condition for a permanent residence permit.

One particular feature of Canada's Business Class immigration scheme is that foreigners who have been admitted under one of the three categories of the programme are immediately granted a permanent residence permit. Self-employed Business Class immigrants not employing other persons do not have to fulfil any specific conditions in order to enjoy a right of residence. Entrepreneurs employing other persons must comply with the commitments they gave when submitting their application (control at least one third of the equity of a Canadian company, involvement in the management of the business for one year during the three years following settlement in Canada, creation of at least one full-time job); if not, their permit may be withdrawn. As immigrant foreign investors are not responsible for placing or managing their investment, the monitoring of the investment activity concerns the Provinces and Territories, which must report quarterly to Citizenship and Immigration Canada on the use of the funds (see Box 2.2). Like all other categories of permanent residents in Canada, immigrants under the Business Class scheme must stay in the country for at least two years out of a period of five in order to keep their status.

**Simplified conditions for family reunification are the most common migration policy incentives to attract foreign entrepreneurs and investors.** Migration policy measures implemented in OECD countries to attract foreign entrepreneurs and investors in order to stimulate economic growth generally consist of simplified family reunification conditions similar to those introduced to encourage the immigration of highly skilled workers. A majority of OECD countries have an accompanying family procedure for the spouse and children of an immigrant entrepreneur or investor. In Australia, Canada, Denmark, New Zealand, the United Kingdom and the United States, the family members of an immigrant entrepreneur or investor have access to the labour market and education system. France applies an accompanying family procedure that is less restrictive than the family reunification procedure, since there is no check on resources or accommodation and exemption from the *Reception and Integration contract*. Where a foreign entrepreneur or investor is granted temporary residence, family members are generally granted residence for the same period, and their status is dependent on that of the entrepreneur or investor.

### **2.2.2. The contribution of specific admission policies to the development of migrant entrepreneurship in OECD countries**

Despite an increasing trend in OECD countries over the past decade towards the adoption of migration programmes aimed at selecting and attracting immigrants to start or invest in business, those programmes only account for a very small fraction of all entrepreneurial activity by foreign-born in OECD countries. Available data for selected OECD countries (see Table II.10) show that the average number of entries registered annually under the migration programmes dedicated to foreign entrepreneurs and investors is marginal compared with the yearly average number of new foreign-born entrepreneurs.<sup>33</sup>

In the United States, on average, 430 EB-5 visas (green cards) were issued yearly in the period 1999-2008; during the same period, about 81 100 foreign-born opened a business each month, according to Fairlie in OECD (2010).

**Table II.10. Average annual number of new migrant entrepreneurs and of special visas issued to foreign entrepreneurs in selected OECD countries**

	Period	Average annual number of new migrant entrepreneurs	Average annual number of special visas issued to foreign entrepreneurs
Germany	2006-08	103 000	2 964
Spain	2004-08	59 000	658
Italy	1998-2008	23 000	4 745
Netherlands	2005-08	10 000	88
Belgium	1999-2008	5 000	927
Sweden	2002-08	4 000	66

Sources: Average annual number of new migrant entrepreneurs: own estimates using EU Labour Force Survey; Average annual numbers of special visas issued to foreign entrepreneurs calculated on the basis of administrative data provided by national authorities.

StatLink  <http://dx.doi.org/10.1787/888932442256>

It appears that most foreign entrepreneurs and investors enter OECD countries through other channels and do not use the special programmes. In the United States, for example, a total of 1 290 green cards were issued in 2009 under the programmes EB-5 and EB-5 pilot (including adjustments), while 24 033 visas were granted, in the same period, under the E-2 scheme for Treaty Investors (source: US Department of State). Under this programme, nationals of one of the countries with which the United States maintains a trade agreement<sup>34</sup> can obtain a temporary permit for the purpose of investment in a commercial enterprise – which they will also operate – in the United States. An E-2 visa is not a green card, and it does not allow permanent residence. Nonetheless, it can be renewed for two-year periods indefinitely. Admission requirements for the E-2 programme are less stringent than those for the EB-5.<sup>35</sup>

In the EU countries, EU nationals account, on average, for more than one third of all foreign-born migrant entrepreneurs. Those nationals are not subject to the general requirements for the admission of foreign entrepreneurs and investors, but can enter and establish themselves in EU member countries under the “freedom of establishment rules”.

In Canada, the Business Class programme has been relatively successful in numerical terms. Over the period 1998-2008, 132 062 persons were admitted to permanent residence in the country under the three categories of visas of the Business Class programmes (i.e. self-employed, entrepreneurs and investors. Admissions under those categories include spouses and dependants). Thus, for the period under consideration, Business Class immigrants accounted for approximately 5% of Canada’s very large annual permanent inflow of foreign nationals (Citizenship and Immigration Canada, RDM, Facts and Figures 2008).

## Conclusions

In OECD countries, entrepreneurship rates among immigrants and natives differ slightly (12.6% versus 12.0%). Migrant entrepreneurs’ contribution to employment creation is substantial, even if in relative terms it is smaller than that of natives. Their activities go beyond traditional ethnic businesses, into a wide range of sectors and innovative areas.

Migrant entrepreneurs are more likely to start a business than natives in most OECD countries. However, the survival rate of migrant businesses is often lower than that of their native counterparts. This is partly explained by specific barriers that migrants may face in establishing and developing their businesses in their host countries. In fact, most migrant

entrepreneurs have additional difficulties on obtaining the appropriate human, social and financial capital needed for a business venture.

Several OECD countries have implemented support measures targeted at migrant entrepreneurs in order to ensure that they have equal opportunities as native entrepreneurs to start and expand a business. Both public and private stakeholders have a role to play to guarantee equal access to credit for migrant and native entrepreneurs. This would help migrant entrepreneurs to emerge from traditional occupations confined to the lower segments of markets and expand to high-value activities, with a subsequent greater contribution to their host country economies. In general, support measures for migrant entrepreneurs should extend to the various phases of business development and not only the start-up phase. In addition, their outreach capacity should be strengthened.

Mainstream business support measures, intended for all entrepreneurs in a country, are crucial to foster both native and migrant entrepreneurship. General policies consisting in the reduction of obstacles to entrepreneurship and business creation, as well as policies promoting the economic growth prospects of the country, are at least as important as migration and integration policies in encouraging and supporting migrant entrepreneurship. However, support measures directly targeted at migrant entrepreneurs are also important for the success of migrant businesses.

The specific migration policy measures regulating the entry and stay of foreign entrepreneurs and investors cover only a small part of all migrant entrepreneurs in OECD countries as most migrant entrepreneurs enter through other channels. Targeted admission policies may be relevant for specific categories of migrants or may provide a simplified channel of access, ensuring that foreign entrepreneurs and investors face no obstacles in bringing their capital to a new country, but they have only a partial role in sustaining overall business growth and investment.

This chapter has expanded knowledge on migrant entrepreneurship and shed light on some innovative aspects of the phenomenon in a cross-country comparative perspective. By increasing awareness of the positive role which migrants can play, in their capacity as entrepreneurs, for the economy of the host country, this chapter can contribute to a more balanced public debate on immigration.

### Notes

1. Self-employed are defined as those individuals “who work in their own business, professional practice or farm for the purpose of earning a profit” (Eurostat, 2003), whether or not they employ other persons.
2. Nevertheless, both terms are not exactly identical. While all self-employed should clearly be considered entrepreneurs, there may be entrepreneurs who are not self-employed. For example, Blanchflower and Shadforth (2007) estimate that almost 50% more individuals declare taxable income from self-employment in the United Kingdom than declare self-employment in the labour force survey. Identifying the latter is particularly difficult. The OECD is, however, actively working to change this situation and set a standard framework of indicators on entrepreneurship (see OECD, 2008b for more detail).
3. Another important issue is the identification of the business unit. Many firms have different establishments and produce a wide range of products and services. In addition, firms are often part of a bigger industrial conglomerate. The “enterprise” is used for structural business statistics (OECD *Manual on Business Demography Statistics* 2007), as opposed to “establishments” (or local units) and “enterprise groups” (all enterprises that belong to a group).

4. In addition, only a small proportion of foreign-born self-employed work in agriculture (2.5% of foreign-born entrepreneurs worked in agriculture compared with 15.7% of native-born entrepreneurs (Secretariat calculation using Eurostat Labour Force Survey, 1998-2008).
5. Although we are unable to identify if two individuals are partners in the same firm, preliminary checks using the United Kingdom Labour Force Survey allows us to approximate this phenomenon for those partners that live in the same household. The maximum potential double-count of members of the same household that are self-employed with employees is under 10% (and could be less if members of the same household have different businesses).
6. Among others, Borjas (1986) and Fairlie (1999, 2005) have found similar results for this country.
7. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.
8. Parts of those increases are due to the establishment of several initiatives to encourage entrepreneurship in general, for example among the unemployed in Germany (Caliendo and Kritikos, 2009).
9. Another potential outcome from new migrant entrepreneurs could be the displacement of native entrepreneurs, as found by Fairlie and Meyer (2003) in the United States.
10. Akee *et al.* (2007) showed how previous individual self-employment experience in the home country increases the probability of being self-employed once one migrates. One exception is Mexican migrants in the United States, who have a low propensity to become entrepreneurs compared with their national counterparts in Mexico (Fairlie and Woodruff, 2008).
11. A logit discrete-choice model is used to study the probability of being self-employed (versus being either employed or unemployed). Firstly, it is estimated for all the individuals using the following data on individual characteristics: age, gender, education, marital status, household composition (the number of children under 16 in the household), and whenever available, a wealth measure (an indicator of property ownership of the residence the individual lives in), region and time indicator variables and an indicator variable of whether the individual is foreign-born or not to capture the existence of migrant specificities in entrepreneurship even after controlling for all other observed characteristics. Afterwards, the logit model of the probability of being self-employed is estimated for foreign-born individuals only, including as well a set of specific migrant variables as further determinants of entrepreneurship: the years of residence in the host country and the region of origin. As in the previous section, the sample is restricted to the active population of individuals of working age (15 to 64) not working in the agricultural or fishing sectors. The results are expressed in marginal probabilities.
12. See Parker (2004) for a summary of different results and estimation methods.
13. The number of individuals employed by migrant entrepreneurs is different from the number of new jobs created by migrant entrepreneurs during the period. It is not possible to identify in the data the change in the number of employees hired by the entrepreneur from one period to the other.
14. The estimation was not possible to compute for Australia, where firm size is not available in the Labour Force data. Another problem arises for the United States, given that firm-size bands were not equivalent to the ones used in the Eurostat Labour Force Survey (in particular only one single category for firms of size below ten), and thus for comparability reasons the estimation was not computed either. A special data request has been made to Canada. As soon as the data are received, estimates for this country will be added.
15. Only those firms with fewer than 50 employees has been used in the estimation, as it allows us to use both the lower and the upper bounds of each firm-size band and thus have an indication of the potential dispersion between the two. In addition, focusing on small firms (under 50 employees) allows us to reduce the differential bias arising from the different firm-size distribution between migrant- and foreign-born for bigger firms.
16. One such example is the support measures for migrant entrepreneurship focusing on Roma in central and Eastern European countries, *e.g.* Bulgaria, Hungary, Poland and Romania.
17. For a comprehensive inventory of support schemes to promote migrant entrepreneurship in the EEA countries, Switzerland and Turkey, see European Commission, DG Enterprise and Industry (2008).

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

18. Start-up assistance programmes for unemployed persons exist in a number of OECD countries. Those programmes, which are generally implemented by the public employment service, are not specifically directed towards persons with immigrant background even if this group forms part of the target population for those programmes. Services delivered under those programmes are similar to those provided to migrant entrepreneurs under specific programmes targeted to them and often comprise financial assistance through special start-up grants and support in the creation of the business project.
19. In some countries, the delivery of face-to-face services under general business support programmes may take into account the migrant background of the entrepreneur, as is the case for the entrepreneurship and enterprise development services organised by Enterprise Finland.
20. The most significant example in this regard is the freedom of movement and establishment provided for by the Treaty establishing the European Economic Community (25 March 1957, Art. 52-58) and implemented through the Council Directive 73/148/EEC of 21 May 1973. Under those rules, admission into the territory of a member state of nationals from other member states (and their family members independently from their nationality ) wishing to establish themselves there in order to pursue a non-salaried activity is not subject to an entry visa or work-permit requirement. Following the entry into effect of the Agreement on the European Economic Area (1994-1995), Community legislation on the freedom of establishment applies also to Iceland, Norway and Lichtenstein. Freedom of establishment between EU member states and Switzerland took effect on 1 June 2002. Other international agreements that provide exceptions, of broader or narrower scope, to the general rules for the admission of entrepreneurs and investors from signatory countries are the Trans-Tasman Travel Arrangement between Australia and New Zealand, the bilateral agreements for the issuance of E-1 and E-2 visas that the United States has concluded with more than 50 countries, the Agreement between France and Algeria on the entry and stay of Algerians in France (27 December 1968, amended), the Japan-Singapore Economic Partnership Agreement (2002) (see Desiderio in OECD 2010, for more details).
21. Canada, Finland, Sweden and the United Kingdom have special arrangements governing the entry and stay of migrants wishing to settle in order to create their own employment without employing other persons.
22. One example is the “exceptional economic contribution” residence permit introduced in France in September 2009.
23. In the United States, an EB-5 “green card” may be granted to foreigners who propose to invest at least USD 1 million in a new commercial enterprise and in doing so, create at least ten full-time jobs for American citizens or immigrants authorised to work in the United States in addition to those created for the entrepreneur and his or her family members. The requirement that the investor be personally involved in the management of the business created as a result of the investment shows that this visa is broadly intended for major entrepreneurs rather than being specifically aimed at investors.
24. Foreigners wishing to settle in the United Kingdom as self-employed employing only themselves must submit their application in the Tier 1 general sub-category targeted at highly skilled migrants.
25. In most European OECD countries requiring immigration candidates under self-employment/entrepreneur programmes to submit a business plan, evaluation of the business plans falls within the competence of the economic authorities (e.g. in Austria, the Public Employment Service; in Belgium, the Service for Economic Authorisations; in Finland, the local Employment and Economic Development Centres; in the Netherlands, an agency of the Ministry of the Economy; etc.). In Greece, a special Regional seven-member committee pronounces an opinion on the business plans. This committee is composed of representatives of various authorities (i.e. the Agency for Aliens and Migration of the Region; the Directorate of Planning and Development of the Region; the regional tax office; prefectural authorities; local association of municipalities). In a few countries, the business plan is assessed directly by the migration authorities (Ireland, Norway, and Sweden).
26. The minimum sum required as self-support when applying for a self-employment visa is CZK 120 000 (about EUR 5 000).
27. Within the Italian cap for self-employed for 2010 (a total of 4 000 admissions), 1 500 permits are reserved for status changes from students to self-employment, while 1 000 are reserved for Libyan citizens.
28. In Poland, investors may be granted a residence permit under the general rules for granting permits to foreigners who make a positive contribution to the country’s economic growth, whether as investors or entrepreneurs.

29. Under the new regulation in force since September 2009, a residence permit may be granted in France to a foreigner who makes an exceptional economic contribution to the country. This consists in creating or saving at least 50 salaried jobs or, if the immigrant is not personally involved in an entrepreneurial activity, making an investment of EUR 10 million directly or through a company in which the investor has a 30% interest or which the investor manages. Exceptions are possible where those conditions are not met in full if the planned investment is of vital interest in light of the economic and social situation. This may be the case, for example, with an investment that allows a site threatened with closure due to specific competition from another site in a different country to be maintained in the medium term.
30. In addition to the four specific business categories (two for entrepreneurs, two for investors), since March 2010 New Zealand also has two categories dedicated to retired people able to make a significant investment in the country. The Parent Retirement Category allows New Zealand to prioritise individuals who are already seeking to migrate to New Zealand under the Family category and can invest at least NZD 1 million in the country over 4 years. The Temporary Retirement Category allows retired foreigners who are able to invest NZD 750 000 in New Zealand over a two-year period to be granted a temporary permit for a corresponding length of time. A Temporary Retirement visa can be renewed as long as the retiree continues to meet criteria.
31. Regional centres must apply for designation, demonstrating how they intend to promote economic growth through export sales, improved regional productivity, job creation and/or increased domestic capital investment. In 2009, there were about 90 centres. See [www.uscis.gov](http://www.uscis.gov) for more information on Immigrant Investor Regional Centres.
32. In New Zealand, after an immigration application for investment purposes has been approved, the funds must be transferred to New Zealand and invested in order for the initial Investor or Investor Plus permit to be granted. Further checks are made two years after the first permit is issued.
33. Data on average annual admissions under the migration programmes targeted to foreign entrepreneurs and investors are calculated on the basis of national administrative registers for the time period when the relevant data were made public. Specific data for 2008 are provided in Annex II.A1. The yearly numbers of new foreign-born entrepreneurs in EU countries are estimated using the EU Labour Force Survey (see Mestres, in OECD 2010, for more details).
34. These include a Friendship, Commerce and Navigation (FCN) Treaty, Bilateral Investment Treaty (BIT), and the North American Free-Trade Agreement (NAFTA). The United States currently have bilateral agreements for the issuance of E-2 visa with 62 countries. Treaty countries under E-2 visa are: Albania, Argentina, Armenia, Australia, Austria, Azerbaijan, Bahrain, Bangladesh, Belgium, Bolivia, Bosnia and Herzegovina, Bulgaria, Canada, Chile, Chinese Taipei, Colombia, Congo (Brazzaville), Congo (Kinshasa), Costa Rica, Croatia, Denmark, Ecuador, Egypt, Estonia, Ethiopia, Finland, France, Georgia, Germany, Greece, Grenada, Honduras, Iran, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Korea (South), Kosovo, Kyrgyzstan, Latvia, Liberia, Lithuania, Luxembourg, Former Yugoslav Republic of Macedonia (FYROM), Mexico, Moldova, Mongolia, Montenegro, Morocco, Netherlands, Norway, Oman, Pakistan, Panama, Paraguay, Philippines, Poland, Romania, Serbia, Senegal, Singapore, Slovak Republic, Slovenia, Spain, Sri Lanka, Suriname, Sweden, Switzerland, Thailand, Togo, Trinidad & Tobago, Tunisia, Turkey, Ukraine, the United Kingdom, Former Yugoslavia.
35. See Annex II.A1 for more details on E-2 (Treaty Investor) visas.

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ANNEX II.A1

*Supplementary tables on admission programmes  
and permit regimes for foreign entrepreneurs  
and investors*

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria**

		AUSTRALIA		
Programme		<b>Business Owner Provisional</b> (subclass 160) under the Business Skills category	<b>State/Territory Sponsored Business Owner Provisional</b> (subclass 163) under the Business Skills category	<b>Business Talent</b> (subclass 132) under the Business Skills category
First introduced in		1976 (ref. 1981)		
Admission requirements	Experience	Successful business experience = <ul style="list-style-type: none"> <li>• AUD 200 000 combined assets of applicant and partner in a qualifying business and ≥ 10% ownership of this business if a public listed company;</li> <li>• Annual turnover of main business (-es) in 2 of last 4 fiscal years ≥ AUD 500 000.</li> </ul>	Successful business experience = annual turnover of main business (-es) in 2 of last 4 fiscal years ≥ AUD 300 000.	Successful business experience = <ul style="list-style-type: none"> <li>• AUD 400 000 combined assets of applicant and partner in a qualifying business;</li> <li>• Annual turnover of main business (-es) in 2 of last 4 fiscal years ≥ AUD 3 million.</li> </ul>
	Min. Investment Capital	No, but ≥ AUD 100 000 to settle (additional to net worth)	No	No
	Min. Jobs to be created/maintained	No	No	No
	Min. Net Worth	AUD 500 000 (combined assets of applicant and partner), transferred to Australia within 2 years.	AUD 250 000 (combined assets of applicant and partner).	AUD 1.5 million (combined assets of applicant and partner)
	Language knowledge	Yes (vocational level)	No	No
	Age	< 45	< 55 but regional authority sponsor may grant exception.	No
	Submit business plan/ requirements for business plan	No	No	No
	Other		Be sponsored by a State/Territory.	Be sponsored by a State/Territory.
Recognition of foreign qualifications/registration in local Chambers of Commerce or other public-law professional bodies		No	No	No
Restrictions		Business which primarily consists in providing professional, technical or trade services is not qualifying.	<ul style="list-style-type: none"> <li>• Business which primarily consists in providing professional, technical or trade services is not qualifying;</li> <li>• Applicant must create the business and settle in the jurisdiction of the sponsoring State/Territory.</li> </ul>	<ul style="list-style-type: none"> <li>• Business which primarily consists in providing professional, technical or trade services is not qualifying.</li> </ul>
International agreements creating special conditions of admission for nationals of member countries		<b>Trans-Tasman Travel Arrangement</b> (member countries: Australia and New Zealand)		

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

AUSTRIA	BELGIUM	CANADA	
<b>Settlement permit</b> ( <i>Niederlassungsbewilligung</i> ) <b>for self-employed key workers</b> (Art. 24 Aliens Employment Act)	<b>Long-term stay visa for the purpose of self-employment</b>	<b>Self-employed</b> (one of three Business Class sub-categories, under the Economic category)	<b>Entrepreneurs</b> (one of three Business Class sub-categories, under the Economic category)
		1969	1978
Applicant's training, skills, know-how, professional experience evaluated by the competent authority.	Yes	2 years relevant experience (in last 5) in either: <ul style="list-style-type: none"> <li>● Farm management;</li> <li>● Self-employment/world class participation in cultural activities;</li> <li>● Self-employment/world class participation in athletics.</li> </ul>	2 years business experience (in last 5) managing and controlling a percentage of equity in a qualifying business*
No	No	No	No
No	No	No	No
No	No	No	CAD 300 000
No	No	Yes (under points system)	Yes (under points system)
No	No	Yes (under points system)	Yes (under points system)
<ul style="list-style-type: none"> <li>● Number of jobs to be created/maintained;</li> <li>● Investment capital.</li> </ul>	<ul style="list-style-type: none"> <li>● Number of jobs to be created/maintained;</li> <li>● Investment capital;</li> <li>● Market study;</li> <li>● Contacts with commercial partners;</li> <li>● Planned contracts;</li> <li>● Planned status of the business.</li> </ul>	No	No
<ul style="list-style-type: none"> <li>● General interest of the proposed activity for Austrian economy;</li> <li>● Submit last income tax statement.</li> </ul>	Obtain "professional card" (issued by the <i>Service des Autorisations Économiques</i> based on the assessment of the business plan and the other requirements, according to: job creation, capital invested, innovation, trade expansion, specialisation.	<ul style="list-style-type: none"> <li>● Score = 35 points on a selection grid assessing age, education, business experience, language ability, adaptability;</li> <li>● Have the intention and ability to be self-employed in Canada.</li> </ul>	<ul style="list-style-type: none"> <li>● Score = 35 points on a selection grid assessing age, education, business experience, language ability, adaptability;</li> <li>● Demonstrate the intention and ability to control at least 1/3 of the equity in a "qualifying Canadian business"* and actively manage it for a period of 1 year within arriving in Canada.</li> </ul>
Letters from certified accountants, Chamber of Commerce, or solicitors may be required for certain professions.	No	No	No
No	No	Foreign self-employed can be admitted only to practice farm management, cultural activities, athletics.	Business whose main purpose is to derive investment income, such as interest, dividends, or capital gains is not a "qualifying Canadian business".
<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1995); <b>EU-Switzerland agreement</b> (2002).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1995); <b>EU-Switzerland agreement</b> (2002).	No	

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

		CZECH REPUBLIC	DENMARK	FINLAND
Programme		<b>Long term visa for self-employment</b>	<b>Residence and work permit for the purpose of self-employment and to operate an independent company</b>	<b>Residence permit for self-employed person</b> (to pursue a trade or profession in his/her own name)
First introduced in				
Admission requirements	Experience	No (but see below for regulated professions)	Documentated relevant training/education, previous experience as a self-employed person and/or work experience in the same field.	Documentated relevant professional qualifications.
	Min. Investment Capital	No	No	No
	Min. Jobs to be created/maintained	No	No	No
	Min. Net Worth	CZK 120 000 (minimum self-support funds)	No	No
	Language knowledge	No	No	No
	Age	≥ 18	No	No
	Submit business plan/ requirements for business plan	No	<ul style="list-style-type: none"> <li>Type of business;</li> <li>Innovative aspects of company or prospects for growth (including expected number of workplaces);</li> <li>Documentation of any partnership with Danish companies;</li> <li>Contracts/agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Estimated turnover in the next 3 years;</li> <li>Account of the business premises;</li> <li>Funds available for company's operations;</li> <li>Number of jobs to be created/maintained.</li> </ul>
Other		<ul style="list-style-type: none"> <li>Particular Danish business interest related to the establishment of the proposed business in Denmark;</li> <li>Proof of sufficient financial means to run the business;</li> <li>Applicant's presence and involvement are vital to the establishment/ operation of the business.</li> </ul>	<ul style="list-style-type: none"> <li>Proposed business must meet the requirements for profitable business;</li> <li>Secured support means.</li> </ul>	
Recognition of foreign qualifications/registration in local Chambers of Commerce or other public-law professional bodies		Doctor and health professionals must be members of the Czech Medical Chamber.	Foreign trained doctors must be authorised by the Danish National Board of Health; autorisation or similar recognition by the competent public authority may be required for other professions.	Doctors other regulated profession need to obtain the licence for exercising their professional activity in Finland.
Restrictions		Exclusions: court executors; notaires; court experts; interpreters.Agricultural entrepreneurs (except if EU citizens/ permanent residents).	Exclusions: restaurants and retail shops.	No
International agreements creating special conditions of admission for nationals of member countries		<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

FRANCE	GERMANY		GREECE
<b>"Exceptional economic contribution residence permit "</b>	<b>Residence permit for the purpose of self-employment: to set up a business</b> (Residence Act, section 21)	<b>Residence permit for the purpose of self-employment: to work on a free-lance basis</b> as writers, artists, performers, consultants etc. (Residence Act, Section 21, para. 5)	<b>Residence permit for the purpose of exercising an independent economic activity</b> (Basic Immigration Law No. 3386-2005, Art. 24)
2009	2005	2005	
No	Previous business experience may be assessed (see below: "other")		Yes
No	EUR 250 000 (but exception may be granted)	No	EUR 60 000
50*	5 (but exception may be granted)	No	No
No	No	No	No
No	No	No	No
No	No		No
<ul style="list-style-type: none"> <li>● Calendar of investment operation;</li> <li>● Expected job creation;</li> </ul>	<ul style="list-style-type: none"> <li>● Viability of the business concept;</li> <li>● Investment capital;</li> <li>● Impact on employment;</li> <li>● Contribution to innovation and research.</li> </ul>		<ul style="list-style-type: none"> <li>● Contribution to the growth of national economy;</li> <li>● Impact on employment;</li> <li>● Investment capital;</li> <li>● Effects on environment.</li> </ul>
*Exceptions made if business considered a local priority (e.g. to prevent closure)	<ul style="list-style-type: none"> <li>● Overriding economic interest or special regional need for the proposed activity;</li> <li>● Expected positive effects on German economy;</li> <li>● If capital/job creation conditions are not fulfilled the other requirements apply.</li> </ul>	<ul style="list-style-type: none"> <li>● Overriding economic interest or special regional need for the proposed professional activity;</li> <li>● Expected positive effects on German economy.</li> </ul>	
No	Depending on the classification of the activity, require licences/certificates or membership of a professional association in order to practice their activity.	A permit to practice the profession from the competent German public-law professional body or confirmation that this permit will be issued is generally required.	
Not applicable to citizens of the EU or Algeria.	In the case the applicant does not meet the min.capital and job creation requirements permit may be valid only for a certain geographical area or a certain type of self-employment.	Can be issued only to "freelancers".	For the first 2 years of residence, the activity has to be practiced within the borders of the same prefecture.
<ul style="list-style-type: none"> <li>● <b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002);</li> <li>● <b>France-Algeria agreement</b> (27/12/1968 amended).</li> </ul>	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).		<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

		IRELAND	ITALY	JAPAN
Programme		<b>Business Permission</b>	<b>Permit for the purpose of exercising an independent economic activity</b> (Decreto Legislativo 286/1998, Art. 26)	Status of residence <b>Investor/Business Manager</b>
First introduced in			1998	
Admission requirements	Experience	Detailed proof of personal skills levels to undertake the proposed business (academic qualifications, details of apprenticeships, evidence of previous business experience, etc.).	Yes (see below)	At least 3 years experience in the operation and/or management of a business.
	Min. Investment Capital	EUR 300 000 (but exception may be granted)	No	No
	Min. Jobs to be created/maintained	2 (but exception may be granted)	No	2 full-time (in addition to those who operate the business)
	Min. Net Worth	No	No	No
	Language knowledge	No	No	No
	Age	No	No	No
	Submit business plan/ requirements for business plan	<ul style="list-style-type: none"> <li>● Value added for the commercial activity and competitiveness of the State;</li> <li>● Investment capital;</li> <li>● Impact on employment;</li> <li>● Viability of the business;</li> <li>● Capacity of the business to secure maintenance;</li> <li>● Details on business operation.</li> </ul>		
Other	Writers, Artists and Craft persons not subject to the capital and employment requirements. Must prove that they are well known/internationally renowned in their chosen field and are in position to fully support themselves from income from their activity.	<ul style="list-style-type: none"> <li>● Proof of sufficient funds available for the exercise of the proposed activity;</li> <li>● Proof of accommodation;</li> <li>● Proof of secured maintenance funds.</li> </ul>	<ul style="list-style-type: none"> <li>● The facilities to be used as an office for the business concerned must be located in Japan.</li> </ul>	
Recognition of foreign qualifications/registration in local Chambers of Commerce or other public-law professional bodies			The competent Italian professional body must declare that the applicant possesses the qualification required in order to exercise the proposed activity. For professional activities recognition of qualifications is needed.	
Restrictions		No	For 2010, the following categories could be admitted: <ul style="list-style-type: none"> <li>● Entrepreneurs who set up a business beneficial to the national economy;</li> <li>● Liberal professions;</li> <li>● Renowned artists;</li> <li>● Craftsmen from countries which invest in Italy.</li> </ul>	Legal/accounting services.
International agreements creating special conditions of admission for nationals of member countries		<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>Japan-Singapore Economic partnership agreement</b> (2002).

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria (cont.)**

KOREA	NETHERLANDS	NEW ZEALAND	NORWAY
<b>Business Investment visa D8</b> for entrepreneurs/managers	<b>Residence permit for labour as self-employed</b>	<b>Long Term Business Visa/ Entrepreneur and Entrepreneur plus visas</b> under the Business category	<b>Residence permit for self-employment</b>
	2008 (date of introduction PBS)	1999 (ref. 2002, <b>2009</b> )	
No	<b>Personal experience:</b> <ul style="list-style-type: none"> <li>● Education (35p);</li> <li>● Experience in business (35p);</li> <li>● Work experience (10p);</li> <li>● Income (10p);</li> <li>● Experience in the Netherlands (10p).</li> </ul>	Prove business experience that is relevant to the proposed business (business operation or work experience at a senior managerial level in a substantial, relevant business).	Generally granted only on the basis of special qualifications in exceptional circumstances. Prove specialist training (upper secondary education; university education; expertise gained through professional experience of a certain duration) or possess a craft certificate (whenever relevant).
USD 50 000 (but exception may be granted)	No	No	No
No	No	No	No
No	No	No	No
No	No	Yes (IELTS min.overall score 4)	No
	No	No	No
	<b>Business plan:</b> <ul style="list-style-type: none"> <li>● market potential (30p);</li> <li>● organisation of business (20p);</li> <li>● financing of business (50p).</li> </ul>	<ul style="list-style-type: none"> <li>● Business description;</li> <li>● Investment capital;</li> <li>● Suppliers and customers;</li> <li>● Proposed marketing;</li> <li>● staff;</li> <li>● Required assets;</li> <li>● Financial forecasts;</li> <li>● Beneficial effects for NZ*.</li> </ul>	<ul style="list-style-type: none"> <li>● Nature of the enterprise and applicant's role in it;</li> <li>● Financial premises and plans;</li> <li>● Market analysis;</li> <li>● Location of the business premises and name of enterprise.</li> </ul>
The requirement on investment capital may be waived when: <ul style="list-style-type: none"> <li>● the applicant sets up a venture firm referred to in the Special Act for Fostering Venture Business on the basis of excellent technological power (e.g. the ownership of an industrial or intellectual property right); and</li> <li>● receives certification for a venture firm</li> </ul>	<b>Added value for the Netherlands:</b> <ul style="list-style-type: none"> <li>● Innovation (20p);</li> <li>● Creation of employment (40p);</li> <li>● Investment (40p).</li> </ul> Application assessed by Senter Novem (Ministry of Economic Affairs), based on the three fields of personal experience, business plan, added value. <b>Must score 100 points of which at least 30 in each field, or 90 points in the first two fields</b>	<ul style="list-style-type: none"> <li>● Establish a new business or buy an existing business in NZ (at least 25% ownership);</li> <li>● Sufficient maintenance funds for 3 years;</li> <li>● Proof of good understanding of the proposed business in New Zealand business environment;</li> <li>● Be healthy and of good character.</li> </ul>	<ul style="list-style-type: none"> <li>● Be personally responsible for the business (sole proprietorship) and involvement necessary for establishment or continuation of the business;</li> <li>● Obtain a statement from the Norwegian Labour and Welfare Service confirming the need for the proposed business;</li> <li>● Maintenance funds secured, mainly through the business.</li> </ul>
Applicant must obtain certification for a venture firm.			If applicable, a permit or promise to issue permit from the relevant trade organisation or other professional public body to start-up the business.
Foreign entrepreneurs can be admitted only in sectors which are referred to in the Special Act for Fostering Venture Business.	No	Sex industry is excluded	The residence permit for self-employed is linked to the specific enterprise proposed.
No	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>Trans-Tasman Travel Arrangement:</b> (member countries: Australia and New Zealand).	<b>EEA agreement</b> (1994).

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

		POLAND	PORTUGAL	SPAIN
Programme		<b>Residence permit to conduct an economic activity beneficial to the national economy</b>	<b>Residence permit for an independent professional activity</b> according to law 23/2007, Art. 60	<b>Residence permit for self-employment</b> ( <i>autorización de residencia temporal y trabajo por cuenta propia</i> )
First introduced in			2007	n.a.
Admission requirements	Experience	No	May be required for professions subject to special qualifications.	Applicant must possess the qualifications and experience required for the exercise of the proposed independent activity.
	Min. Investment Capital	No	No	No
	Min. Jobs to be created/maintained	No	No	No
	Min. Net Worth	No	No, but funds must be available in Portugal (including deriving from loans obtained by a banking institution in Portugal)	No
	Language knowledge	No	No	No
	Age	No	No	No
	Submit business plan/ requirements for business plan	<ul style="list-style-type: none"> <li>Type of activity;</li> <li>General conditions of the establishment;</li> <li>Income generated by the activity;</li> <li>Job creation;</li> <li>Salaries of employees.</li> </ul>	No	<ul style="list-style-type: none"> <li>Expected job creation;</li> <li>Investment capital.</li> </ul>
	Other	<ul style="list-style-type: none"> <li>The proposed activity must have beneficial effects on Polish economy (in terms of innovation; growth of investments; transfer of technology; job creation);</li> <li>Secured maintenance funds.</li> </ul>	<ul style="list-style-type: none"> <li>Detain a contract or written proposal for a contract for the supply of services with character of self-employment; or</li> <li>Evidence of the declaration of the start of activity to the Fiscal and to the Social Security Authorities as individual entrepreneur.</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance funds secured, mainly through the business (since the first year of operation).</li> </ul>
Recognition of foreign qualifications/registration in local Chambers of Commerce or other public-law professional bodies			If applicable, declaration by the competent professional public-law authority which certifies the ability to practice the profession when subject to special qualifications in Portugal.	Obtain recognition of qualifications and authorization from the competent public-law authorities for the exercise of regulated professional/activities.
Restrictions		<ul style="list-style-type: none"> <li>Specific occupations may be subject to limitations;</li> <li>Non-EU citizens are not entitled to establish themselves as self-employed in Poland (only as entrepreneurs).</li> </ul>	No	No
International agreements creating special conditions of admission for nationals of member countries		<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (2004); <b>EU-Switzerland agreement</b> (2004).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

SWEDEN		SWITZERLAND	UNITED KINGDOM
<b>Residence permit to start and operate a business (business owner)</b>	<b>Residence permit to start and operate a business (self-employed)</b>	<b>Residence permit for the practice of an independent economic activity</b>	<b>Tier 1 Entrepreneur subcategory</b>
n.a.	n.a.	2008	2009*
<ul style="list-style-type: none"> <li>● Proof of ≥ 50% ownership of a company.</li> </ul>	<ul style="list-style-type: none"> <li>● Proof of solid experience in the proposed business;</li> <li>● Previous experience in running the business.</li> </ul>	<ul style="list-style-type: none"> <li>● Proof of professional qualifications required for the exercise of the proposed activity.</li> </ul>	No
No	No	No	GBP 200 000 (25p)
No	No	No	No
No	No, but must append bank statements proving personal funds for maintenance for the first year in Sweden.	No	No, but maintenance requirement (10p)
No	No	No	Yes (10p)
No	No	No	No
No	<ul style="list-style-type: none"> <li>● Market study;</li> <li>● Contracts with customers/suppliers;</li> <li>● Contract for business premises;</li> <li>● Investment, liquidity and profit/loss budget;</li> <li>● Budget balance sheet;</li> <li>● Investment capital;</li> <li>● Business permits (if required).</li> </ul>	<ul style="list-style-type: none"> <li>● Description of the activity;</li> <li>● Turnover and profit;</li> <li>● Market study;</li> <li>● Short, mid and long-term projection;</li> <li>● Expected job creation;</li> <li>● Financial conditions and requirements for exploitation of enterprise fulfilled.</li> </ul>	No
<ul style="list-style-type: none"> <li>● Proof of ≥ 50% ownership of a company;</li> <li>● Operate the business and have the ultimate responsibility for it;</li> <li>● Maintenance funds secured mainly through the business for the 2 year probationary period.</li> </ul>	No	<ul style="list-style-type: none"> <li>● The proposed activity serves the economic interest of Switzerland and has positive mid/long-term effects on the Swiss labour market (<i>e.g.</i> contributing to economic diversification at regional level; creating/maintaining jobs for Swiss residents; investing substantial amounts of money).</li> <li>● Proof of satisfactory housing.</li> </ul>	Assessment under Tier 1 of the points-based system: must score 75 points, including: <ul style="list-style-type: none"> <li>● Funds held in a regulated financial institution (25p);</li> <li>● Funds disposable in the United Kingdom (25p).</li> </ul>
No	Health professionals, veterinary surgeons, driving instructors, electrical contractors, estate agent, fire safety officers, interpreters and translators, lawyers, security guards, public school teachers need authorization by competent authority.		
No	No	Cannot be issued to independent foreign doctors (except for EU citizens).	Cannot be issued to take up employment as "Doctor in training".
<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1995); <b>EU-Switzerland agreement</b> (2002).		<b>Swiss-EU bilateral agreement on the free movement of persons</b> (2002, amended 2004 and 2009).	<b>EC Freedom of establishment</b> (Art. 43 EC Treaty); <b>EEA agreement</b> (1994); <b>EU-Switzerland agreement</b> (2002).

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

		UNITED STATES	
Programme		<b>EB-5 residence visa</b>	<b>EB-5 residence visa for investment in a Targeted Employment Area (TEA)</b>
First introduced in		1990	
Admission requirements	Experience	No	No
	Min. Investment Capital	USD 1 million	USD 500 000
	Min. Jobs to be created/maintained	10 (direct creation of jobs US residents other than the applicant and his/her family members).	
	Min. Net Worth	No	No
	Language knowledge	No	No
	Age	No	No
	Submit business plan/ requirements for business plan	No	No
	Other	<ul style="list-style-type: none"> <li>Invest and be involved in a new commercial enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>Invest and be involved in a new commercial enterprise in a TEA = rural area/area where unemployment rate is 150% the national average rate.</li> </ul>
Recognition of foreign qualifications/registration in local Chambers of Commerce or other public-law professional bodies			
Restrictions			
International agreements creating special conditions of admission for nationals of member countries		No	

Table II.A1.1a. **Self-employed/Entrepreneurs: admission criteria** (cont.)

UNITED STATES (cont.)			
EB-5 residence visa pilot	EB-5 residence visa pilot in a TEA	E-1 visa (Treaty trader), based on a Treaty of Commerce and Navigation (non immigrant visa status) according to INA, 101(a)(15)(E)	E-2 visa (Treaty investor), based on a Treaty of Commerce and Navigation (non immigrant visa status) according to INA, 101(a)(15)(E)
1993	1993		
No		Existing trade: trade between the partner country and the US must already be in progress on behalf of the individual. Existing trade includes successfully integrated contracts binding upon the parties that call the immediate exchange of qualifying items of trade.	Not necessary
USD 1 million	USD 500 000	No, but trade must be "substantial" (see below).	No, but investment must be "substantial".
No, but prove indirect creation of 10 jobs as a result of the activity (e.g. induced jobs).		No	No
No	No	No	No
No	No	No	No
No	No	No	No
<ul style="list-style-type: none"> <li>Invest and be involved in the operation of a new commercial enterprise in "designated regional centers" = economic unit, public or private, involved with the promotion of economic growth in a contiguous geographic region agreed to receive foreigners' investment.</li> </ul>	<ul style="list-style-type: none"> <li>Invest and be involved in the operation of a new commercial enterprise in "designated regional centers" in a TEA.</li> </ul>	<ul style="list-style-type: none"> <li>Applicant and/or business possess the nationality of the treaty country;</li> <li>Existing activity constitutes "substantial trade" within the meaning of INA*;</li> <li>Trade is principally between the US and the treaty country (&gt; 50% vol.);</li> <li>Maintenance funds secured through Income derived from trade;</li> <li>Declare intention to leave the US when E-1 status terminates.</li> </ul>	<ul style="list-style-type: none"> <li>Applicant and/or business possess the nationality of the treaty country;</li> <li>Have invested/be in the process of investing in a real commercial enterprise in the US, and operate it;</li> <li>Commercial enterprise must be "more than marginal" = capable to generate more than enough income for maintenance within 5 years of entry;</li> <li>Declare intention to leave the US when E-1 status terminates.</li> </ul>
No	No	No	No
		No	No
		* E-1 visa can be issued only to nationals of countries with which the US maintain a qualifying treaty of commerce and navigation: currently 54 countries.	* E-2 visa can be issued only to nationals of countries with which the US maintain a qualifying treaty of commerce and navigation: currently 62 countries.

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## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1b. **Self-employed/Entrepreneurs: permits**

		AUSTRALIA		
Programme		<b>Business Owner Provisional</b> (subclass 160) under the Business Skills category	<b>State/Territory Sponsored Business Owner Provisional</b> (subclass 163) under the Business Skills category	<b>Business Talent</b> (subclass 132) under the Business Skills category
Permits	Quota	No	No	No
	Initial	Provisional: 4 years	Provisional: 4 years	Permanent residence
	Conditions for permit withdrawal	n.a.	n.a.	n.a.
	Permanent Residence	After 2 years on the provisional visa, can apply for <b>Business Owner residence visa</b> (subclass 890).	After 2 years on provisional visa can apply for <b>State/Territory Sponsored Business Owner Residence</b> (subclass 892).	Immediately.
	Conditions for permanent residence	<ul style="list-style-type: none"> <li>Assets in the main business (2 main businesses) in Australia <math>\geq</math> AUD 100 000 (net value) ;</li> <li>Personal and business assets in Australia <math>\geq</math> AUD 250 000 (n.v.);</li> <li>Annual turnover of the main business (or 2 main businesses) in Australia <math>\geq</math> AUD 300 000;</li> <li><math>\geq</math> 2 full-time jobs to non-family members provided by business.</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorship by State/Territory Government;</li> <li>Net assets in main (or 2 main) business(es) in Australia <math>\geq</math> AUD 75 000;</li> <li>Net personal and business assets in Australia <math>\geq</math> AUD 250 000;</li> <li><math>\geq</math> 2 full-time jobs for non-family members;</li> <li>Annual turnover of the main (or 2 main) business(es) in Australia <math>\geq</math> AUD 300 000 (waived in exceptional circumstances).</li> </ul>	
Change of status	Possibility/conditions	<p>Yes, people who established or owned a business (ownership <math>\geq</math> 10% in up to 2 qualifying business; total assets <math>\geq</math> AUD 250 000) while in Australia on any temporary visa allowing for business, and operate the business can apply for:</p> <ul style="list-style-type: none"> <li><b>Established Business in Australia visa</b> (subclass 845), after 9 months residence if net business assets <math>\geq</math> 100 000 and score 105 points on the <i>Established Business in Australia Points Test</i>*; or</li> <li><b>Regional Established Business in Australia visa</b> (subclass 846), after 1 out of 2 years on a Business Long Stay visa (subclass 457) if: have State/ Territory Government sponsorship; net business assets <math>\geq</math> AUD 75 000; annual turnover <math>\geq</math> AUD 200 000 or annual exports = AUD 100 000 and score 105 points on the <i>Regional Established Business in Australia Points Test</i>.</li> </ul> <p>Both visas allow for permanent residence.</p>		
Family members	Permit	Included in the permit of the principal applicant		
	Work and study rights	Yes		
Number of permits issued in 2008	Total	129 (provisional)	5 740 (provisional)	n.a.
		All programs 6667 (2026 primary, 4641 family)		
Main origin countries (all programs 2008)		China; United Kingdom; Indonesia; South Africa; Korea (over the last 10 years)		

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

AUSTRIA	BELGIUM	CANADA	
<b>Settlement permit (Niederlassungsbewilligung) for self-employed key workers</b> (Art. 24 Aliens Employment Act)	<b>Long-term stay visa for the purpose of self-employment</b>	<b>Self-employed</b> (one of three Business Class sub-categories , under the Economic category)	<b>Entrepreneurs</b> (one of three Business Class sub-categories , under the Economic category)
Yes (as for all kind of first applications for settlement permit).	No	No	No
Temporary: 1 year, renewable indefinitely.	Temporary: 2 years, renewable indefinitely.	Permanent residence.	Permanent residence.
n.a.	<ul style="list-style-type: none"> <li>Business is not beneficial to the Belgian economy;</li> <li>Tax and social obligations are not fulfilled.</li> </ul>	See below: conditions for permanent residence.	Failure to meet the following conditions within 3 years of entry: <ul style="list-style-type: none"> <li>control <math>\geq \frac{1}{3}</math> of a qualifying Canadian business;</li> <li>active involvement in business operation;</li> <li>create <math>\geq 1</math> full-time job equivalent for a Canadian resident (not a family-member).</li> </ul>
General EU rules.	General EU rules.	Immediately.	Immediately.
		General residency requirement of 2 out of 5 years residence to maintain status.	
Yes (from employment): same requirements as for a first admission.	Yes (from employment): same requirements as for a first admission.	No	Possible for students under (Provincial Nominee Program).
Can be admitted under general rules for dependants of people who are already living in Austria under <i>Niederlassungsbewilligung</i> *.	Under general rules for family reunification.	Included in the application of the principal applicant.	Included in the application of the principal applicant.
No*		Yes	Yes
n.a.	731 (includes changes of status).	505 persons (164 primary, 341 family).	1 705 persons (447 primary, 1258 family).
n.a.	India; China; Japan; Turkey; United States.	Iran; China; Pakistan; Korea; India; United Kingdom and Colonies; Unites States; Chinese Taipei.	

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

		CZECH REPUBLIC	DENMARK	FINLAND
Programme		<b>Long term visa for self-employment</b>	<b>Residence and work permit for the purpose of self-employment and to operate an independent company</b>	<b>Residence permit for self-employed person</b> (to pursue a trade or profession in his/her own name)
Permits	Quota	No	No	No
	Initial	Temporary: 1 year, after which a 2-year long-term permit, renewable indefinitely.	Temporary: 1 year, renewable indefinitely (longer permit after 2 years residence).	Temporary: 1 year, renewable. Extended permit for 1-4 years depending on how business meet the requirements.
	Conditions for permit withdrawal	No	n.a.	<ul style="list-style-type: none"> <li>● Failure to meet the requirements for profitable business;</li> <li>● Maintenance not secured by the business.</li> </ul>
	Permanent Residence	General EU rules.	General EU rules.	General EU rules.
	Conditions for permanent residence			
Change of status	Possibility/conditions	Yes: after 1 year of residence on a long-term stay permit ( <i>i.e.</i> after min. 2 years of entry): same requirements as for a first admission.	Yes (from employment and study): same requirements as for a first admission; international students have 6 months after completion of their studies in Denmark to look for a job or seek-residence permit as self-employed in the country.	Yes (from employment and study): same requirements as for a first admission.
Family members	Permit	Under general rules for family reunification.	Family members can apply for residence permits.	Included in the application of principal applicant.
	Work and study rights		Partner allowed to full-time work	No
Number of permits issued in 2008	Total	77 158 (includes EU residence certificates as self-employed).	122 (includes 117 EU residence certificates as self-employed)	67
Main origin countries (all programs 2008)		Viet Nam; Ukraine; Slovak Republic.	The Netherlands; Poland; Germany; United Kingdom; Lithuania; United States (over the period 2000-09).	Turkey; Russian Federation; China; Bangladesh; United States.

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

FRANCE	GERMANY		GREECE
<b>"Exceptional economic contribution" residence permit</b>	<b>Residence permit for the purpose of self-employment: to set up a business</b> (Residence Act, Section 21)	<b>Residence permit for the purpose of self-employment: to work on a free-lance basis as writers, artists, performers, consultants etc.</b> (Residence Act, Section 21, para. 5)	<b>Residence permit for the purpose of exercising an independent economic activity</b> (Basic Immigration Law No. 3386-2005, Art. 24)
No	No	No	No
Temporary: 10 years.	Temporary: max. 3 years.	Temporary: 2 to 3 years, renewable.	Temporary: 2 years, renewable indefinitely for further 2 year periods.
<ul style="list-style-type: none"> <li>● Non-compliance with initial permit conditions;</li> <li>● Failure to make investment in first year, or failure to respect schedule of business plan;</li> <li>● Investment capital shown to derive from illicit activities.</li> </ul>	n.a.	n.a.	<ul style="list-style-type: none"> <li>● Required funds not transferred and made available for the activity;</li> <li>● Change of activity or movement to another prefecture (purpose of stay may change after 1st renewal);</li> <li>● Failure to meet tax and social obligations.</li> </ul>
After 10 years on the permit.	When the planned activity has been successfully realised.		General EU rules.
<ul style="list-style-type: none"> <li>● Meet initial requirements;</li> <li>● Proof of language knowledge;</li> <li>● Commitment to the respect of French republican values.</li> </ul>	<ul style="list-style-type: none"> <li>● Planned activity successfully realised;</li> <li>● Maintenance funds secured.</li> </ul>		
n.a.	Yes (from employment and study): same requirements as for a first admission.	Yes (from employment and study): same requirements as for a first admission.	No
May apply for a long-term visa for visitors following the accompanying family procedure.	Family members can enter the country with the principal applicant or join later (general requirements for family reunification).	Family members can enter the country with the principal applicant or join later (general requirements for family reunification).	Under general rules for family reunification.
No			
n.a.	3 677 (total for both the categories)		600
n.a.	China; United States; Russian Federation; Japan; Korea (2009).	United States; Australia; Japan; Ukraine; Canada (2009).	n.a.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

		IRELAND	ITALY	JAPAN
Programme		<b>Business Permission</b>	<b>Permit for the purpose of exercising an independent economic activity</b> (Decreto Legislativo 286/1998, Art. 26)	<b>Status of residence Investor/Business Manager</b>
Permits	Quota	No	Yes: in 2010, 4 000, of which 1 500 for conversion of study permits and 1000 for Libyan citizens.	No
	Initial	Temporary: 1 year, renewable indefinitely for further 1 year periods (depending on business success).	Temporary: 2 years, renewable.	Temporary: max. 3 years, renewable for further 3-year periods (depending on investment and job creation).
	Conditions for permit withdrawal	<ul style="list-style-type: none"> <li>● Failure to comply with tax requirement (including P60 for all employees);</li> <li>● Failure to justify valid work permits for employees.</li> </ul>	n.a.	<ul style="list-style-type: none"> <li>● Failure to comply with admission requirements.</li> </ul>
	Permanent Residence	General EU rules.	General EU rules.	Under general rules.
	Conditions for permanent residence			
Change of status	Possibility/conditions	Yes: same requirements as for a first admission.	Yes (from employment and study): same requirements as for a first admission, but set-aside quota for students.	Yes: same requirements as for a first admission.
Family members	Permit	Included in the application of the principal applicant.	Under general rules for family reunification.	Family members may apply for a separate permission (status of residence "Dependent").
	Work and study rights	No		No
Number of permits issued in 2008	Total	47	4 967	919
Main origin countries (all programs 2008)		n.a.	n.a.	Korea; United States; China; Chinese Taipei; Pakistan.

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

KOREA	NETHERLANDS	NEW ZEALAND	NORWAY
<b>Business Investment visa D8</b> for entrepreneurs/managers	<b>Residence permit for labour as self-employed</b>	<b>Long Term Business Visa/Entrepreneur and Entrepreneur plus visas</b> under the Business category	<b>Residence permit for self-employment</b>
No	No	No	No
Temporary	Temporary: 5 years	Temporary:9+27 months (3 years) Can be renewed only one time for further 3 years, then must change visa category.	Temporary: 1 year, renewable.
n.a.	n.a.	LTBV is meant to lead to PR under the Entrepreneur category; if conditions for the latter are not met after 6 years the visa expires.	n.a.
	After the expiry of the first permit (5 years).	After 2-6 years on the LTBV <b>(Entrepreneur visa)</b> .May apply immediately for <b>Entrepreneurs plus visa</b> if criteria are met.	May be granted after 3 years on the temporary permit.
	<ul style="list-style-type: none"> <li>Same criteria as for first admission;</li> <li>Maintenance funds secured.</li> </ul>	Since 2009, either an <b>"Entrepreneur visa"</b> for most cases where the originally approved (or subsequently authorised) business is successfully established under an initial business visa; or the <b>"Entrepreneur plus visa"</b> for successful LTBV businesses with ≥ NZD 500 000 invested and ≥ 3 full-time jobs for NZ residents created.	Continue to meet the requirements for first admission.
n.a.	Yes (from employment and study): same requirements as for a first admission.	Yes (from employment and study): same requirements as for a first admission under LTBV.	Yes (from employment and study): same requirements as for a first admission.
Eligible for an accompanying visa (D8).	Included in the application of the principal applicant.	Included in the application of the principal applicant (but separate permits).	Included in the application of the principal applicant.
No	No	Yes	n.a.
n.a.	50	380 (Program year 2008-09, Entrepreneur category).	2 932 (1998-2008; include 2 807 residence certificates to EEA ).
n.a.	United States; Canada; India; Turkey.	United Kingdom; Korea; China; Fiji; India.	Poland; Germany; Netherlands; United Kingdom; Lithuania.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

		POLAND	PORTUGAL	SPAIN
Programme		<b>Residence permit to conduct an economic activity beneficial to the national economy</b>	<b>Residence permit for an independent professional activity according to law 23/2007, Art. 60</b>	<b>Residence permit for self-employment (<i>autorización de residencia temporal y trabajo por cuenta propia</i>)</b>
Permits	Quota	No	No	No
	Initial	Temporary: max. 2 years, renewable indefinitely.	Temporary: 1 year, renewable indefinitely for 2-year periods.	Temporary: 1 year, renewable indefinitely for 2-year periods.
	Conditions for permit withdrawal	<ul style="list-style-type: none"> <li>● The activity is not beneficial to the Polish economy;</li> <li>● The activity fails to provide a stable and regular source of income (maintenance).</li> </ul>	n.a.	<ul style="list-style-type: none"> <li>● Failure to comply with tax and social obligations;</li> <li>● Conditions for delivery of the first/former permit no more in place;</li> <li>● The activity has failed – since its first year - to provide the applicant sufficient income for maintenance.</li> </ul>
	Permanent Residence	General EU rules.	General EU rules.	General EU rules.
	Conditions for permanent residence			
Change of status	Possibility/conditions	No	Yes (from study): same requirements as for a first admission.	No
Family members	Permit	Under general rules for family reunification.	Under general rules for family reunification.	Under general rules for family reunification.
	Work and study rights			
Number of permits issued in 2008	Total	1 162 (include investors).	n.a.	516
Main origin countries (all programs 2008)		Viet Nam; Ukraine; Armenia; China.	n.a.	China; Morocco; Argentina; Colombia; Ecuador (over the period 2004-09).

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

SWEDEN		SWITZERLAND	UNITED KINGDOM
<b>Residence permit to start and operate a business (business owner)</b>	<b>Residence permit to start and operate a business (self-employed)</b>	<b>Residence permit for the practice of an independent economic activity</b>	<b>Tier 1 Entrepreneur subcategory</b>
No	No	Yes: permits for independent economic activity issued within cantonal quotas for admission of third-country nationals.	No
Provisional: valid for 1 year at a time for the 2-year probationary period		Temporary: 2 years, renewable indefinitely.	Temporary: 3 years, renewable for further 2 years.
<ul style="list-style-type: none"> <li>● The activity doesn't provide the applicant with sufficient maintenance funds;</li> <li>● The activity hasn't been started;</li> <li>● The business has not been registered.</li> </ul>		<ul style="list-style-type: none"> <li>● The expected positive effects of the proposed business for the Swiss economy have not been realized in the 2-year period.</li> </ul>	<ul style="list-style-type: none"> <li>● Investment not realized;</li> <li>● Business not registered within 3 months of entry;</li> <li>● Entrepreneur not actively engaged in the business;</li> <li>● Failure to create 2 full-time jobs for at least 12 months.</li> </ul>
May be granted after the 2-year probationary period.		Under general rules.	After 5 years.
<ul style="list-style-type: none"> <li>● Prove that the business is running according to the reported plans;</li> <li>● Maintenance funds secured through the business activity.</li> </ul>			
Yes (from employment and study): same requirements as for a first admission; foreign students must have reached 30 higher education credits (one term) or have completed one term of research education at institutions of higher education.		Yes (from study): proposed activity has major scientific or economic interest and serves fundamental scientific research or the implementation of new technologies; meet requirements for a first admission.	Yes: must meet the requirements for Tier 1 entrepreneur subcategory.
Family members can apply for residence permits.		Under general rules for family reunification.	As for dependants of a Tier 1 PBS Migrant.
No			Yes
104		n.a.	n.a.
China; Iran; Turkey; Russian Federation; United States.		n.a.	n.a.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

		UNITED STATES			
Programme		EB-5 residence visa	EB-5 residence visa for investment in a Targeted Employment Area (TEA)	EB-5 residence visa pilot	EB-5 residence visa pilot in a TEA
Permits	Quota	Yes: yearly maximum of 10000 EB-5 visa.	(within general quota).	3000 EB-5 visa set-aside yearly for pilot project.	(within quota for EB-5 pilot).
	Initial	2-year conditional permanent resident status ("green card"); for the conditions on residency to be removed must file a second application within the 90-day period preceding the second anniversary of admission as conditional permanent resident.			
	Conditions for permit withdrawal	In the 2-year period following the admission as conditional permanent resident: <ul style="list-style-type: none"> <li>● The new commercial enterprise was not created;</li> <li>● Required investment of funds in a new commercial enterprise was not made;</li> <li>● Funds were not maintained at risk in the new commercial enterprise;</li> <li>● The investor was not involved in the management of the new commercial enterprise;</li> <li>● The required number of jobs have not been created and are not expected to be created in a reasonable period of time.</li> </ul>			
	Permanent Residence	After 2 years.			
	Conditions for permanent residence	Conditions on permanent status removed (see above).			
Change of status	Possibility/conditions	n.a.			
Family members	Permit	Included in the application of the principal applicant			
	Work and study rights	Yes (after the 2-year conditional period)			
Number of permits issued in 2008	Total	427 (includes 304 new arrivals and 123 adjustments; includes 49 EB5 visas granted under the general program and 378 pilot and TEA programs).			
Main origin countries (all programs 2008)		n.a.			

Table II.A1.1b. **Self-employed/Entrepreneurs: permits** (cont.)

UNITED STATES (cont.)	
<b>E-1 visa (Treaty trader)</b> , based on a Treaty of Commerce and Navigation (non immigrant visa status) according to INA, 101(a)(15)E	<b>E-2 visa (Treaty investor)</b> , based on a Treaty of Commerce and Navigation (non immigrant visa status) according to INA, 101(a)(15)E
No	No
Temporary: 2 years, renewable indefinitely	
No (Non immigrant visa).	
Not applicable.	
No	
Family members may receive derivative visas in order to accompany the principal applicant.	
Spouses may apply for employment authorisation.	
	28 588
n.a.	n.a.

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## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.2. Investors

		AUSTRALIA	CANADA	FRANCE	GREECE	
Programme		<b>Investor</b> (subclass 132) under the Business Skills category	<b>State/Territory Sponsored Investor visa</b> (subclass 165)	<b>Investor</b> (one of three Business Class sub-categories)	<b>"Exceptional economic contribution"</b> residence permit	Yes (Basic Immigration Law 3386/2005)
First introduced in				1986 (ref. 2010)	2009	
Admission Requirements	Investment capital	AUD 1.5 million in Australian state treasury bonds.	AUD 750 000 in Australian state treasury bonds.	CAD 800 000 (to be paid to Citizenship and Immigration Canada (CIC)).	EUR 10 million directly, or through a corporation of which the applicant controls at least 30% or manages.*	EUR 300 000
	Min. Duration	4 years	4 years	5 years	No	No
	Min. net Worth	AUD 2.25 million (combined assets of applicant and his/her partner)	AUD 1.125 million (combined assets of applicant and his/her partner)	CAD 1.6 million	No	No
	Experience	≥ 1 year (in last 5) maintaining an investment of AUD 1.5 million or managing a qualifying business in which the applicant and partner had ≥ 10% ownership.	≥ 1 year (in last 5) maintaining an investment of AUD 750 000 or managing a qualifying business in which the applicant and partner had ≥ 10% ownership.	2 years (in the last 5) managing and controlling a qualifying business/ managing 5 full-time employees in a business.	No	No
	Age	< 45	< 55 but regional authority sponsor may grant exception.	Yes (under points system)	No	No
	Language Knowledge	No	No	Yes (under points system)	No	No
	Min. number of jobs to be created	No	No	No	No/≥ 50 to be created/ maintained in French enterprises in France (alternative to the requirement on capital).*	No
	Involvement in business	No	No	No	Not necessary	No
	Other		Be sponsored by a State/Territory.	Score = 35 points on a selection grid assessing age, education, business experience, language ability, adaptability.	*Exceptions made if business considered a local priority (e.g. to prevent closure); Applicant must submit a calendar of investment operation and expected job creation.	The investment must have positive effects on the Greek economy.
Restrictions		No	Reside in the sponsoring State/Territory for at least 2 years.	Applicant cannot place or manage the capital invested. He/she pays the investment to CIC. CIC distributes it to the participating Provinces and Territories and repays it after 5 years without interest.	Not applicable to EU or Algerian citizens.	No

Table II.A1.2. **Investors** (cont.)

KOREA			MEXICO	NEW ZEALAND		POLAND	PORTUGAL	UNITED KINGDOM
<b>F5 residence visa</b> ("foreign high investor"*)	<b>F2 residence visa</b> (regional programme for investors)	<b>G1 visa</b> (regional programme for investors)	Permiso de inmigrante inversionista extranjero	<b>Investor programme</b> under the Business category	<b>Investor plus programme</b> under the Business category	Residence permit to conduct an economic activity beneficial to the national economy	Residence permit for investment according to law 23/2007, Art. 60	<b>Tier 1 Investor subcategory</b>
	01/02/2010	01/02/2010		1999 (ref. 2002, 2005, 2007, <b>2009</b> )	1999 (ref. 2002, 2005, 2007, 2009)		2007	2009 (previously Investor Scheme)
USD 500 000	USD 500 000	USD 200 000	No	NZD 1.5 million	NZD 10 million	No	No	GBP 750 000
No	No	No	No	4 years	3 years	No	No	3 years
No	No	No	No	NZD 1 million to settle in New Zealand (transfer not required).	No	No (general requirement of secured financial funds for maintenance)	No	GBP 1 million or GBP 2 million net personal assets and GBP 1m in loans under control.**
No	No	No	No	3 years business experience	No	No	No	No
No	No	No	No	≤ 65	No	No	No	No
No	No	No	No	Yes (IELS min. overall score 3)	No	No	No	Exempt from Tier 1 requirement.
5	No	No	No	No	No	No (see below: "other")	No	No
Not necessary	No	No	No	No	No	Not necessary	Not necessary	No
				Be healthy and of good character.	Be healthy and of good character.	Evaluation according to benefit of activity for Polish economy (investment growth, technology, innovation, job creation), especially income generated, taxes paid, job creation.	prior investment in Portugal; or proof of financial means in Portugal (incl. loans from a Portugal bank) and demonstrated intention to invest in Portugal.	Assessment under Tier 1 of the points-based system: must score 75 points, including sufficient disposable funds in the UK. Exempt from maintenance requirements.
	Investment in recreational facilities (condominiums, resorts, villas, etc.) in Jeju special self-governing province.		Foreigners cannot invest in certain sectors (energy; communication technology; postal services; banks; public transport), and their investment in others is limited to a fixed percentage of ownership.	Acceptable investment: <ul style="list-style-type: none"> <li>• Bonds (of NZ government/local authority, or NZ firms in the NZDX or, NZ firms with BBB rating); equity (in NZ firms, public or private, including management funds); or currency (NZD invested in lawful enterprises or managed funds).</li> <li>• Produces commercial return and contributes to economy.</li> <li>• Not for personal use, not in residential property or deposit-taking financial institutions.</li> </ul>			No	Investment in UK Government bonds or share or loan capital in active and trading UK registered companies excl. those investing principally in property.

## II. MIGRANT ENTREPRENEURSHIP IN OECD COUNTRIES

Table II.A1.2. **Investors (cont.)**

		AUSTRALIA		CANADA	FRANCE	GREECE
Permits	Initial	Provisional: 4 years		Permanent residence	Temporary: 10 years, renewable	Temporary: 3 year, renewable indefinitely for 3-year periods
	Conditions for withdrawal of permit	<ul style="list-style-type: none"> <li>● Failure to inform Department of Immigration and Citizenship of any change of circumstances.</li> <li>● Significant change of circumstances (ex. leave the sponsoring State).</li> </ul>		See below: conditions for permanent residence.	<ul style="list-style-type: none"> <li>● The investment was not made in the 1-year period following the permit delivery, or was not realised following the time schedule of the business plan;</li> <li>● Investment capital is proved to come from illicit activities.</li> </ul>	<ul style="list-style-type: none"> <li>● The investment was not made or there was no progress after 1 year (the Ministry of Economy and Finance informs the Ministry of Interior which take the withdrawal decision).</li> </ul>
	Permanent Residence	After 4 years on the provisional visa. (two-stage visa)		Immediately.	After 10 years.	
	Conditions for permanent residence	<ul style="list-style-type: none"> <li>● Fulfil requirements of the provisional visa;</li> <li>● Acceptable business record;</li> <li>● Residence for 2 out of 4 years;</li> <li>● Commitment to maintain investment in Australia.</li> </ul>		General residency requirement of 2 out of 5 year presence to status.	<ul style="list-style-type: none"> <li>● Meet initial requirements;</li> <li>● Proof of language knowledge;</li> <li>● Commitment to the respect of French republican values.</li> </ul>	
Family members	Permit	Included in the permit of the principal applicant, although applicant must enter before dependents; applicant may not marry between receiving visa and entry to Australia.		Included in the permit of the principal applicant.	May apply for a long-term visa for visitors following the accompanying family procedure.	As for family reunification conditions but exempted from waiting period.
	Work and study rights	Yes		Yes	No	No
Number of investor permits issued in 2008	Total	12 (program year 2008-09)	472 (program year 2008-09)	10 197 persons (2 831 primary, 7 366 family)	n.a.	1 (in the period 2006-09)
Main origin countries (all programs 2008)		Chinese Taipei, Malaysia, United Kingdom, Singapore, South Korea (over the last 10 years).		China, Chinese Taipei, South Korea, Iran, Egypt.	n.a.	Ukraine.

Notes to Tables II.A1.1a, II.A1.1b and II.A1.2.

AUSTRIA: \*Family members can get *Niederlassungsbewilligung-unbeschränkt* (access to work) after one year of residence, if the spouse of parent, has the permit *Niederlassungsbewilligung-unbeschränkt*.

CANADA: \*In order to be admitted in Canada under the Entrepreneur subclass, applicant is required to have experience in a qualifying business abroad. For this purpose it is considered a qualifying business a business: whose main purpose was not to derive investment income, such as interest, dividends, or capital gains; and for which, during the year under consideration, there is documentary evidence of any two of the following: the percentage of equity multiplied by the number of full-time job equivalents is  $\geq$  two full-time jobs equivalents per year; the percentage of equity multiplied by the total annual sales is  $\geq$  CAD 500 000; the percentage of equity multiplied by the net yearly income is  $\geq$  CAD 50 000 and the percentage of equity multiplied by net assets at the end of the year is  $\geq$  CAD 125 000.

Once admitted entrepreneurs must operate a qualifying Canadian business. It is considered a qualifying Canadian business a business whose main purpose is not to derive investment income, such as interest, dividends, or capital gains; and for which there is in any year within the period of three years after the day the entrepreneur becomes a permanent resident documentary evidence of any two of the following: the percentage of equity multiplied by the number of full-time job equivalents is  $\geq$  two full-time jobs equivalents per year; the percentage of equity multiplied by the total annual sales is  $\geq$  CAD 250 000; the percentage of equity multiplied by the net yearly income is  $\geq$  CAD 25 000 and multiplied by the net assets at the end of the year is  $\geq$  CAD 125 000.

Table II.A1.2. **Investors** (cont.)

KOREA			MEXICO	NEW ZEALAND		POLAND	PORTUGAL	UNITED KINGDOM
Permanent	Permanent (without conditions)	Temporary (long-term)	Temporary: max. 1 year, renewable indefinitely.	4 years conditional residence.	3 years conditional residence.	Temporary: max. 2 years, renewable.	Temporary: 1 year, renewable for 2-year periods.	Temporary: 3 years, renewable for further 2 years.
				<ul style="list-style-type: none"> <li>Funds were not transferred;</li> <li>Funds were not placed in an acceptable business. (requirements checked after 2 years)</li> </ul>			n.a.	<ul style="list-style-type: none"> <li>Investment was not realised within 3 months of entry the UK;</li> <li>Investment is not maintained in the same capacity for the whole period.</li> </ul>
Immediately	Immediately			After 4 years	After 3 years	Under general rules	Under general rules	After 5 years
				<ul style="list-style-type: none"> <li>Initial requirements fully met;</li> <li>Residence requirement (146 days in each of the last 3 years of the 4-year investment period).</li> </ul>	<ul style="list-style-type: none"> <li>Initial requirements fully met;</li> <li>Residence requirement (73 days in each of the last 2 years of the 3-year investment period).</li> </ul>			<ul style="list-style-type: none"> <li>Investment maintained throughout the whole period of the leave in the same capacity;</li> <li>English language and life test.</li> </ul>
Eligible for accompanying visa (D8).	Accompanying family members receive F1 (visiting or joining family) status.		General conditions for family reunification.	Included in the permit of the principal applicant.	Included in the permit of the principal applicant.	General conditions for family reunification.	General conditions for family reunification.	As for dependants of a Tier 1 PBS Migrant, but exempt from proof of maintenance funds.
No	No	No		Yes	Yes			Yes
n.a.	n.a.	n.a.		33 (all programmes; program year 2008-09)	n.a.	1161 (including entrepreneurs, excluding EU)		79 (under the previous scheme)
				Great Britain, China		Viet Nam, Ukraine, Armenia, China		Russian Federation, China, Australia, India, United States.

KOREA: \*F-5 visa can be granted also to "foreigners of superior ability in specified fields".

NEW ZEALAND: \*A business is considered of potential benefit for New Zealand if it promotes NZ economic growth by means of technological innovation; introduction of new products or services; trade expansion; employment creation; revitalisation of an existing business; successfully established business in NZ = applicant has established/purchased made a substantial investment in a business operating in New Zealand; been self-employed in this business for two years; created economic benefit for New Zealand.

UNITED KINGDOM: \*Previously Business persons and Innovation schemes. \*\*Investment capital must be held in regulated UK financial institution and disposable in the UK. In the case of loans, capital must be loaned by a regulated UK financial institution and disposable in the UK.

UNITED STATES: \*Following the INA, 101(a)(15)(E) "substantial trade" for E-1 purposes is the continuous flow of goods or services between treaty countries that involves numerous transactions over time. The smaller businessman is not excluded if he can demonstrate a pattern of transaction of value. Income derived from the international trade must be sufficient to support the treaty trader and family.

