

One of the public expectations of migration policy is that it ensures adequate provisions are in place so that countries don't miss out on important growth opportunities. One high-visibility growth opportunity is in new technology and particularly the digital economy. Start-up firms and their founders are often in the public spotlight, since successful start-ups have had transformational effects on technology, created new sectors of employment and pushed innovation forward in many countries. Understandably, skilled migration policy makers have turned their attention to high potential migrant founders and have developed new visa programs to attract and retain emerging talent and their businesses.

This policy brief provides an overview of start-up visa programs across OECD nations and their different methods for attracting and selecting migrant founders, as well as some initial results of these programmes. The brief then examines whether programme outcomes are being properly evaluated to ensure they are delivering on their strategic intent.

What are the risks and rewards of start-up visas?

Key Findings

- Investor and entrepreneur visas in most OECD countries focus on owners with capital, experience and a business that is already operating, often with high turnover. Founders with potentially high impact and transformational ideas for new businesses, but without their own capital or income, are generally not eligible for existing visa programs. They may also fall short of the requirements for formal education in those countries offering skilled migration programs in some countries.
- To be able to attract, admit and retain high potential entrepreneurs, many countries have introduced visa programmes specifically designed for founders and employees of start-up firms. All such programs focus on people with scalable, transformative and innovative business ideas at the early stage of development.
- Some countries assess applicants through the immigration service, but most rely on expert panels or government bodies and agencies with a focus on SMEs, business creation and innovation.
- Determining which start-ups have high potential is not easy to scale up to a mass decision making process.
- A start-up is, by nature, a high-risk venture and many fail. Managing this risk is a key concern of visa programs.
- The benefits of the visa programme for the founder and the business community are evident. There is the potential for personal enrichment for the founder and opportunities for the business community to learn from both success and failure. However, these programs must also demonstrate there are benefits to the public – including that founders are contributing to the community that made their success possible.
- Migrant founders are offered a range of generous conditions, including permanent residence, state funding, grants, professional contacts, mentoring, access to incubators, support for family reunification, simplified application procedures and expedited processing.
- There are real economic benefits from hosting successful start-ups, in terms of job creation, new services and supporting a sustained culture of innovation and forward thinking. An SUV programme can make the country more visible for investors, firms and individuals looking for a destination associated with innovation.
- However, there is currently little quantitative evidence of the benefits that migrant founders bring to the host country. More needs to be done to build evaluation frameworks so that the policy settings can be refined and the generous support provided to start up founders can be justified to the public.
- There are also important issues to resolve in protecting the integrity of the programs – ensuring that programs are not deliberately misused to circumvent the controls in other programs (skilled migration and business visas) and that the programme delivers on its policy aims.

Introduction

Alongside the recent policy focus on fostering the creation and development of innovative start-ups, many OECD countries have introduced immigration programs to attract start-ups and high potential entrepreneurs from overseas.

Start-up programmes can be distinguished from entrepreneur visa streams by their focus on innovative, scalable, and potentially high-impact businesses in their inception phase. Start-up visa

programmes focus on the potential of business idea, rather than capital invested or existing jobs in the company.

Over the past decade, start-up visa programmes have popped up across the OECD and are now part of the migration policy landscape in Australia, Canada, Denmark, Estonia, Finland, France, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, New Zealand, the Netherlands, Poland, Portugal, Spain and the United Kingdom.

Timeline. Introduction and reform of Start-Up Visa programmes in OECD countries



While the various programs have a common goal of augmenting the national start-up ecosystem with talent from abroad, they differ in significant ways (see Table 1, Table 2 and Figure 1). This includes differences in whether they offer temporary, provisional or permanent status, and whether they include expert panels, business case assessments and investment requirements.

In some countries, start-up visa programmes have been introduced as an extension of existing

entrepreneur or investor programmes, while in other cases, start-up visa programmes have preceded the introduction of a full-fledged entrepreneur or investor programme.

In Italy, for example, the start-up visa programme was incorporated as a sub-stream of a newly introduced investor visa. In other cases, start-up visa programmes are introduced without changes to the immigration legislation to facilitate entry under existing categories.

Table 1. Summary of Start-Up Visa programmes in OECD countries

Country	Program	Special (S) or fast-track standard visa (F)	Cap in 2022	Permit type	Family admitted with work rights
Australia	Global Talent visa	S	8000	Permanent	Yes
Canada	Start-Up Visa (SUV)	S	1000	Permanent	Yes
Chile	Start up Chile	F	Uncapped	Temporary 1 year renewable	Yes
Denmark	Start up Denmark	F	75	Temporary self-employment 2 year, renewable for 3 years	Yes
Estonia	Start up Visa	S	Uncapped	Temporary, 1 year, renewable for six months, then entrepreneur permit	Yes
Finland	Start Up Entrepreneur	S	Uncapped	Temporary 2 year renewable	Yes
France	Tech Ticket	F	Uncapped	Temporary 4 year, then change to entrepreneur permit	Yes
Ireland	Start-up Entrepreneur Programme – STEP	S	Uncapped	Temporary 2 years, renewable for 3 years	Yes
Israel	Innovation Visa (pilot)	S	Uncapped	Temporary 2 years, non-renewable	No

Country	Program	Special (S) or fast-track standard visa (F)	Cap in 2022	Permit type	Family admitted with work rights
Italy	Italy Start Up Visa	F	Uncapped	Fast-Track Temporary, 1 year, renewable for 2 years, then change to other permit	Yes
Japan	Business manager/investor	F	Uncapped	Temporary 6 months, can be extended as "business manager" for 12 months, then status change required	No
Korea	Technology and Business Start-Up Visa	S	Uncapped	Temporary 2 years, renewable	No
Latvia	Start up Visa	S	Uncapped	Temporary up to 3 years, then change to other permit	Yes
Lithuania	Start up Visa	S	Uncapped	Temporary 1 year, renewable for 1 year, then change to other permit	Yes
New Zealand	Global Impact Visa (pilot)	S	Uncapped	Temporary up to 3 years, then change to permanent	Yes
Netherlands	Start up Visa	S	Uncapped	Temporary 1 year, then change to self-employed permit	Yes
Poland	Poland Prize	F	Uncapped	Fast-Track Temporary 1 year, renewable	
Portugal	Start up Visa	S	Uncapped	Temporary 1 year, renewable for 1 year periods	Yes
Spain	Visa for Innovative Entrepreneur	S	Uncapped	Temporary 1 or 2 years, renewable	Yes
United Kingdom	Tier 1 "Start-Up" Visa	S	Uncapped	Temporary 2 year, renewable	Yes
United States	International Entrepreneur Rule	F	Uncapped	Temporary 2.5 years, with one renewal – total 5 year stay.	No

What are the aims of the programmes?

Start-up visa programmes are initiatives aimed at attracting foreign entrepreneurs to set up innovative high potential businesses.

Almost all OECD countries have visa programmes for foreign entrepreneurs who have proven experience and capital to invest in a business of sufficient size and viability.

However, start-up visas aim at a category which doesn't qualify for such existing programmes, either because the business doesn't exist yet, has too few employees, has only a short history and a negative balance sheet, or because the owner has no capital of their own. Yet there may be innovative businesses and business ideas which a country would like to host and foster. Start-up visas may have both a business and a migration component.

The **business** component aims at facilitating the conditions to start a new business for non-nationals. This may be part of a wider national policy effort to make setting up a start-up easier but

from which foreign start-up entrepreneurs can benefit. This is the case in Chile and Korea, for example, where a global competition to provide support to start-ups was conceived from the beginning as open to non-nationals. Spain and Poland have also introduced competitions open to nationals and foreigners. Alternatively, start-up visa programmes may specifically target foreign start-up entrepreneurs. This approach has been taken in France, where the French Tech Ticket initiative is exclusively targeted at non-French entrepreneurs.

When countries admit investors and standard entrepreneurs, they usually try to select only candidates whose businesses have a very high likelihood of success. Such expectations are difficult to apply to start-up applicants. Indeed, start-ups suffer from a higher failure rate compared to other businesses. This is consistent with the start-up business model, which is characterised by high uncertainty, higher risks and high dependence on the surrounding ecosystem.

At the same time, a vibrant start-up ecosystem is often seen as conducive to the success of further start-ups. In this context, start-up visa programmes have taken different approaches. In Ireland or in the Netherlands there is a focus on attempting to identify only those start-ups that are most likely to have an economic impact – in terms of job creation and sectoral growth – or that have the potential to develop a new product or service. Other countries focus on attracting a high volume of start-ups, with the aim of changing the national entrepreneurship culture, promoting the diffusion of ideas and branding the country as an innovation hub. This latter approach, in which not all or even most start-ups are expected to succeed, has been taken in Chile and in Estonia. Most start-up visa programmes adopt a combination of these approaches, paying attention both to the direct effects of start-ups and to their indirect effects on other firms or the innovation and investment ecosystem.

The **migration** component of start-up visa programmes aims at facilitating the conditions under which foreign-nationals wishing to start up a new business can get a visa or a residence permit. This may mean creating an entirely new visa category, or stream within and existing for the purpose of setting up a start-up, as has been done in Canada, New Zealand and the, or it may mean creating a specific start-up stream, with specific requirements, for visas that already exist, such as in the French *passport talent* or the Netherland's Start-up Visa. In some cases start-up visa programmes may be composed only of the business component. This is the case for the Start-Up Chile programme. This model, however, works only if barriers to enter and reside in the country are low.

In Canada, the SUV pilot attracted applicants who were younger, had higher human capital and had stronger English/French skills than applicants to other immigration streams. This is seen as an indicator of programme success, especially as age, education and language skills were not explicit requirements for programme eligibility – as they are in the United Kingdom, Korea and New Zealand.

Indeed, if the applicant does possess high levels of human capital there are established and well

managed permanent pathways for those individuals. Instead, start-up visas are designed to focus on the value of ideas – no matter the background of the individual that has it. In this sense the target of SUV programs are individuals that appear to fall short in traditional immigration programme but may nonetheless offer a significant contribution to the host society through their start up idea.

What type of projects are sought?

Not all start-up ideas and businesses can win their founders a visa. Even without the expectation of universal success, OECD countries have adopted a range of approaches in order to ensure that their start-up programmes are targeting innovative, scalable and viable business ideas, and covering individuals and firms which otherwise wouldn't qualify for visa issuance. Some countries have chosen to impose requirements on the business; others on the applicant; some on both. Requirements can be either objective or subjective.

Objective requirements may specify that e that businesses must be recently created (in Italy and Ireland less than five and six years old respectively); they may specify the sector – Lithuania, for example, lists six eligible sectors; or they may place limits on the size of the businesses – Italy requires start-ups to have an annual turnover of less than EUR 5 million.

Subjective assessments may require that the start-up provide “new goods or services”, as in the Netherlands, or is “tech-driven”, as in Denmark. Alternatively, they may entail an assessment of what the start-up is capable of achieving; in Ireland, for example, start-ups must be judged capable of creating ten jobs in Ireland and EUR 1 million in sales within the first 3-4 years of operation. Some programs (including the Start-up visa in the Netherlands or the Australian Global Talent visa) may consider a combination of these factors – both the creating of new services or goods and the potential for economic impact and job creation.

Alternatively, requirements may focus on the characteristics of the founder or entrepreneur. Language requirements are in place in the United Kingdom and New Zealand, for example.

Language skills also provide points for applicants for Korea's Technology and Business Start-Up visa. This visa is issued to candidates scoring high enough in a points system. In addition to holding a Bachelor's degree, applicants must achieve a further 80 points awarded on the basis of further education, participation in start-up courses (offered through the Overall Assistance for Start-up Immigration System programme) language requirements and patents held or pending. Most start-up visas, however, do not require knowledge of the national language.

Finally, some countries require start-ups to demonstrate viability by providing or securing funding. Ireland, for example, requires businesses to provide EUR 75 000 of investment, either from their own funding or securing this amount from an angel investor or venture capital fund; while start-ups in Italy must secure EUR 50 000. Lithuania's start-up visa requires only that businesses have "sufficient funding" for their first year. Start-up visa programmes offered by New Zealand, the Netherlands and Denmark require that entrepreneurs are able to prove they are self-sufficient upon arrival (i.e. that they have access to between EUR 15 000 and 22 000 for personal costs).

The United States admits entrepreneurs who have the potential to provide significant public benefit based on factors including the entrepreneur's ownership stake and leadership role; the growth potential of the start-up; competitive research grants from federal, state, and local government agencies; and investment by qualified American investors.

How are projects selected?

The challenge in any start-up visa programme is to pick winners among applicants. Alongside objective criteria regarding the characteristics of the entrepreneur, of the business and of the financial plan, many countries use review processes to judge start-ups and identify eligibility.

There is no single approach to evaluation. Most start-up visa programmes, however, involve actors from the local start-up community at some point in the selection process (Table 2). Such actors are chosen since most officials working within immigration ministries have neither experience of working with start-ups, deep knowledge of the local start-up ecosystem, nor the ability to assess promising business models. Involving local actors early in the process may also provide selected start-ups with a direct link to the start-up community, as well as access to support and guidance from those within the ecosystem.

In many countries, such as Denmark, Italy and Estonia, this involvement takes the form of selection committees composed of incubators and investors. Some countries, such as Canada, outsource the selection process to actors from the start-up community: the visa is available only upon securing the support of a designated incubator or the financial backing of an angel investor or venture capital firm. The Netherlands adopt a mixed approach, where the foreign start-up entrepreneur must have an agreement with a local facilitator (a business angel, incubator or accelerator). The government Enterprise Agency evaluates the innovation credentials of both the start-up and the facilitator and verifies the agreement with selected facilitator. Lithuania uses a mixed commission of public and private actors to review applications. France has two differentiated programmes for start-up founders. The French Tech Ticket is a contest in which foreign winners receive funding, incubation and mentoring for 1 year. In this case, an independent panel comprised by public representatives and incubators reviews the applications. The French Tech Visa is a fast-track procedure to receive a 4-year residence permit for start-up founders under the "Talent Passport" visa category. The visa is open to staff of new firms, and not only to the founders. Estonia, the selection process is outsourced to designated actors from the start-up community (incubators/accelerators).

Table 2. Selection bodies and sponsorship requirements for Start-Up Visas

Country	Selection body or bodies	Incubator or other sponsorship required?
Australia	Global Business and Talent Attraction Taskforce, State Government agencies, a nominator with a national level reputation in Australia	Yes
Canada	Designated providers (incubator, angel, VC funds) who must also back the project	Yes
Chile	“Start-Up Chile” commission	Yes
Denmark	Expert panel composed of volunteer business consultants from public regional business development centres	No
Estonia	Start-Up Committee of members of Estonian start-up community or selection committee of an accelerator programme	Optional
Finland	Business Finland innovation funding agency	No
France	Committee of representatives of ministries, Business France, Bpifrance (public investment bank), and entrepreneurs; Incubators/Accelerators; and Direccte	Yes
Ireland	Evaluation Committee, composed of: government agencies and other departments	No
Israel	Office of the Israeli Chief Scientist (recognises entrepreneur); Israel Innovation Committee AND one of 12 supporting programmes (“landing pads”), which both must approve idea	Yes
Italy	Committee of representatives of the innovation ecosystem, OR certified incubator	Optional
Japan	National Strategic Special Zone bodies (e.g. Tokyo Metropolitan Government; Fukuoka, etc.) which have been approved by the Government	No
Korea	Department of Justice and the Small & Medium Business Administration	No
Latvia	Immigration Service	No
Lithuania	Panel of experts of public (40%) and private (60%) sector, representing start-ups, innovation and business development	No
New Zealand	Edmund Hillary Institute panel of international entrepreneurs, investors, and innovators	No
Netherlands	The Enterprise Agency evaluates/checks the facilitator and the start-up innovation credentials and verifies the agreement with the facilitator	Yes
Poland	Prizes are awarded to projects sponsored by one of six PARP programme operators	Yes
Portugal	IAPMEI (Institute for Support for SMEs and Innovation); National Network of Incubators	Yes
Spain	Commercial Office of the Spanish Consulate for applicants outside Spain; the Large Enterprise Unit for applications from within Spain.	
United Kingdom	One of 34 “endorsing bodies” as well as universities	Yes
United States	Parole applications are assessed by US Citizenship and Immigration Services.	No

Still, a number of OECD countries use specialised government bodies to judge start-up applicants. In Finland, the Business Finland innovation funding agency, part of the Ministry of Employment and Economy, must approve the plan. Enterprise Ireland is responsible for decisions in Ireland. In Japan, the local government authority in one of the nine authorised zones decides. In Portugal, the Institute for SMEs assesses applicants.

In the United States, the Citizenship and Immigration Services determines if international entrepreneurs would provide a significant public benefit through their business venture.

What does the programme offer?

Some start-up visa programmes go beyond issuing visas in response to requests, actively promoting start-ups through subsidies, prizes and incubators.

Some programmes offer direct or indirect access to capital. “Start-Up Chile” pioneered this approach, and holds a competition open to founders from all over the world. Its programme is divided into three sub-programmes, granting between USD 15 000 and USD 60 000 depending on the sub-programme to which the start-up entrepreneur applies. France holds a competition as well, awarding winners in the Tech Ticket programme USD 45 000 per project. In Japan, Fukuoka runs a prize competition for foreign start-ups, providing office space and a rent subsidy. In

general, when direct access to capital is provided, the start-up programme has a limited number of places available. In the United Kingdom and France, these programmes are limited to 100 and 70, respectively. Rising Up in Spain, which began in 2016 as “Rising Startup”, offers grants and supports to 15 projects annually, while the Poland Prize offers up to 50 grants in its pilot phase.

When start-up programmes do not offer funding, however, they may nonetheless facilitate access to capital (e.g. business angels, investors, venture capital or state funding), by providing applicants with the support from national agencies. Examples of agencies include Enterprise Ireland and the Netherlands Point of Entry and Techleap. Other support can come through specific initiatives, for instance the Edmund Hillary Fellowship in New Zealand or the “landing pads” in Israel. These agencies have the task of introducing newcomers to the national ecosystem and, in particular, to funding opportunities. When this is the case, applicants are not required to have funding to be admitted to the programme.

The visa can facilitate procedures which are otherwise complex. In Italy, for instance, the application can be filed in English, online and is fast-tracked, while in France, French Tech Ticket participants can benefit from the assistance of a help desk to navigate the administrative procedures.

The United States offers an initial stay of 2.5 years, and may be renewed once for a further 2.5 years under the International Entrepreneur Parole Program. There is no direct pathway to permanent residence for migrants on parole, although they may apply for other visas if they are eligible.

Almost all programmes allow family members to join the main applicant and enjoy full labour market access. A few countries – such as Canada, France and Ireland – offer a simplified procedure, whereby a positive decision to the main applicant means that family members can join, and do not need to start a separate family reunification procedure. However, most countries, including Chile, Denmark, Estonia, Italy, the Netherlands, Lithuania, New Zealand, and the United Kingdom require family members of the main applicant to go through the standard family reunification procedure. Requirements under the process vary across countries and may include

financial self-sufficiency, adequate housing, and pre-arrival programmes. Several countries, including Japan and Israel, allow family to join the main applicant, but only as a visitor without labour market access. In the United States, dependents of the entrepreneur must meet the criteria for parole in their own right based on significant public benefit or urgent humanitarian reasons. Adult independents may apply for work authorisation after arrival.

What happens when the visa expires?

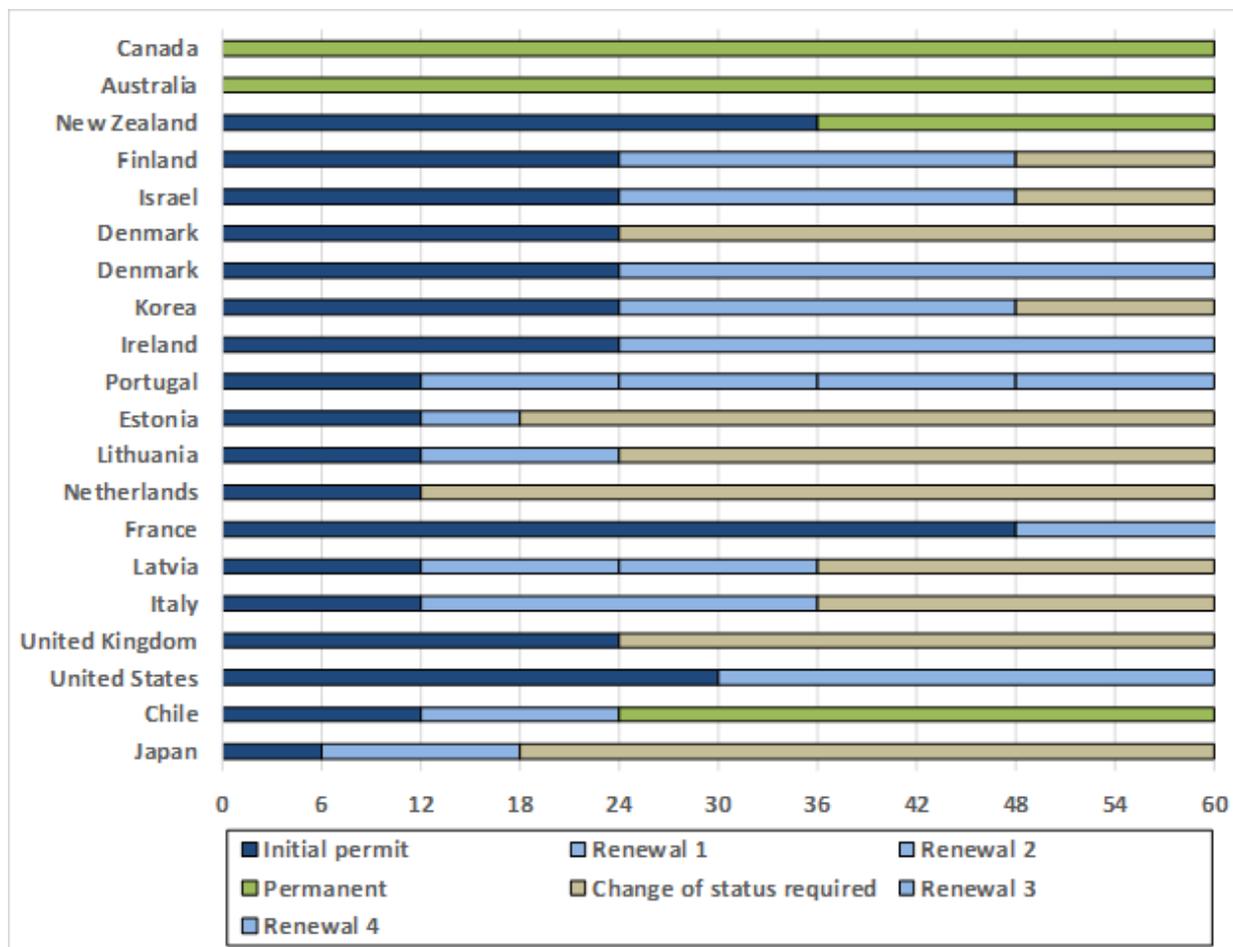
A key determinant of start-up success is the founding entrepreneur and indeed, the founders of many successful start-ups have previous experience of start-ups that have failed to thrive. Since most programmes admit founders on the basis of an idea, they do so conditionally, with further stay contingent on the success of the business. How soon they check on the state of progress, and what opportunities for further stay are in place, vary significantly among countries.

In most cases, start-up visa programmes offer temporary residence permit, valid between one and two years (Figure 1). Following the initial residence period, start-up visa holders must indicate acceptable progress to be able to renew their permit – as in Denmark, Estonia, France (Tech Ticket), Ireland, Korea, Lithuania and the United Kingdom – or, where the permit cannot be renewed, apply to another visa stream. This is the case in Chile, Israel, Lithuania, and the Netherlands.¹ The French Tech Visa requires successful founders to apply for a change of status after the initial 4-year period. New Zealand offers three years, while Japan has a strict review after just six months. For successful founders, all countries except Israel hold out the promise of acquiring permanent residency.

The Canadian and Australian approach stand out in offering permanent residence to all successful applicants from day one. This approach reflects a view that those entrepreneurs, whose start-ups are identified as promising, embody the talent that Canada and Australia are seeking to attract. Offering permanent residence to these individuals enables the country to capitalise on the investment made in selecting and supporting these individuals through the start-up visa programme.

Figure 1. Summary of Duration of initial Start-Up Visa permit, renewals and change of status

(Months, first 5 years)



How are the programmes evaluated?

Given the relatively new nature of start-up visa programmes, there is, as yet, no well-established best-practice. Indeed, the programmes outlined in this brief vary in a number of important ways. In order to ensure that the start-up visa programmes are achieving their goals, and in a cost effective manner, the outcomes of the new visa tracks should be evaluated.

To the extent to which the goals of start-up visa programmes vary across countries, so too will the appropriate form of the evaluation; indicators of success will vary from very proximate indicators of programme success such as acceptance rates, costs and processing times, through more distant and indirect impacts on job creation and sectoral development to the intangible impact on the vibrancy of the local start-up ecosystem.

Direct indicators of programme success can be broadly defined into (i) indicators that capture procedural success, and (ii) indicators that capture the success with which the programme is able to target and attract individuals and start-ups with the desired characteristics. Indicators that capture procedural success are relatively straightforward and can include evaluation of improvements in the processing times and costs associated with the start-up visa – but only if a benchmark is available, of a previous or parallel programme. In Canada, for example, the Start-Up Visa was introduced as a pilot to improve upon the previous entrepreneur programme. It reduced processing times (from 70-80 months under the previous programme to just 5.3 months) and cut administrative costs (from CAD 5.2 million per annum under the previous programme to just CAD 644 000). These efficiency savings are largely attributed to the model of

relying on designated entities from within the start-up community (including incubators, angel investors and venture capital funds) to select and support foreign applicants.

Some indication of the ability of the programme to attract targeted individuals and start-ups is captured in the acceptance rate of applications. However, while a very low acceptance rate may reflect a highly selective programme, it may also indicate a failure to attract the right target group. A complementary indication of programme success can be the number of visas issued, relative to the target. If programmes are not achieving their desired scope, this may be an indication that potential entrepreneurs do not find the programmes competitive – in terms of visa type, access to funding, and access to the local start-up ecosystem. It may also mean that migrant founders are utilising alternative visa pathways, or the problem lies in the attractiveness of the start-up scene. In the Netherlands, for example, though the programme aimed to provide 100 visas per year, in 2015 only 21 were granted. The authorities worked with incubators to improve information exchange, leading to an increase in the number of visas issued: 75 in 2016 and 125 in 2017 and 125 again in 2018.

In other cases, it may make sense to adjust the target. Korea admitted only five start up founders in 2014, below its target. Indeed, beyond the number of applications and visas issued, the programmes are meant to target innovative, viable and scalable projects. This can be observed from the success of the start-ups that have undertaken the programme. Survival rates, business growth and job creation are important indicators in this respect.

The United Kingdom revised its programme in 2019, eliminating the “Graduate Entrepreneur” programme and replacing it with a start-up and an innovator programme. The reform uncoupled the start-up visa from the requirement to be a recent graduate. The old programme included several types of sponsorship, including one, the “Sirius” programme, which granted GBP 35 000 to graduate entrepreneurs sponsored by the Department of International Trade, which included both self-sufficiency costs and seed funding for the business. The new programme imposes a capital

requirement on innovators, but has flexible terms for start-ups that have been sponsored by an approved body.

SUV programs need to demonstrate a return on investment

The strategic purpose of the start-up visa is to support national prosperity. A visa programme takes public resources to administer, evaluate and ensure the program’s integrity. There is an inherent public interest in the success and failure of migrants brought to the territory under the programme.

Unlike other programs that target established business owners, or highly skilled employees, most start up visas are about identifying, attracting and retaining high potential entrepreneurs before they become successful so that their future business will grow in the host country.

It is not enough to look at survival rates of entrepreneurs. The policy aim goes beyond establishing a merely viable business. As such, measuring and demonstrating real economic impact, relative to the size of the programme, is fundamental to its long-term success. This means returns to the public, not just returns to individual entrepreneurs, and includes the creation of quality jobs for local workers, new industries or transformative technology, or an increase in foreign investment that can be linked to the visa programme.

A “soft” measure of the impact of a start-up visa is the attention it may attract to positive aspects of its start-up culture that are not migration related (exposing domestic firms to internationalisation and supporting the start-up “branding” of the host country), which may contribute to the attractiveness of the country for investors, venture capital, innovative firms and entrepreneurial individuals.

However, ultimately there must be demonstrable success in the start-up community to bring legitimacy to the start-up visa programme. Evaluation of economic return should also be considered in the context of the various risks that exist in start-up visa programs – including the cost to the public and the impact of start-up visas on other immigration programs.

What are risks and rewards?

The better the permit conditions, the greater confidence the issuer demands that the start-up will deliver on its promise. The higher the volume of start-up programme, the greater confidence the host country needs that unsuccessful founders will not become a burden or undermine the integrity of other skilled migration programs by offering a “back door” to the labour market which may displace local workers and negatively interact with standard business visa programs.

Temporary and provisional permits operate on a “trial period” principle, with successful start-up founders offered the opportunity for further stay or permanent status once they have proven to be successful. In this context, there is little risk involved in admitting start-up founders, as unsuccessful founders will be required to depart after their temporary stay or meet the requirements of a different visa.

In many ways, failure for the start-up founder on a temporary visa is a straightforward risk with a straightforward treatment (depart or qualify for a different visa). However, there is a more complex risk when a high potential founder meets only moderate success. The intent of the programme is to select founders that will thrive, not just survive. Allowing those with only a moderate success to remain presents a risk to programme integrity to both the start-up programs, and to standard business visa programs. However, effecting their removal may be logistically problematic, met with resistance from community groups and may be politically challenging.

There are also risks in admitting founders on direct permanent residence. Start-up visas do not assess human capital and success is inherently hard to predict. Countries with direct permanent residence start-up visas (Canada and Australia) also operate in the context of migration planning levels – which set the limits and balance of permanent migration for both skilled and family visa categories. Granting a start-up visa takes a place in the quota that may otherwise be given to a highly skilled migrant chosen on proven criteria for success in the labour market over the long term.

The purpose of the Canadian SUV is not high volume permanent migration where average levels

of human capital have powerful effects over the long term. The Canadian Federal Business category (which includes start-up visas) is currently capped at 1 000 places per year in 2021-23, representing 0.25% of total permanent intake.

Australia has set the Global Talent Independent programme, which targets exceptionally talented individuals including migrant founders, at 8 448 places for the fiscal year of 2022-23. This represents 5.3% of the total permanent intake in the coming year. There have been suggestions by non-government experts in Australia that the level of intake for this category is too high and should be lowered until more robust evaluation programs are established (Coates, 2021).

There is an inherent constraint in assessing start-ups. The more objective the criteria, the more likely it will be that it will fail to capture innovative businesses because they do not conform to prior expectations of how success should start. Further, flexible and subjective decision-making frameworks are hard to scale up and may lead to inconsistent decision and delays in processing times.

Conclusion

The question of whether or not to establish a start-up visa relies on whether or not there is a gap in the policy framework that would prevent founders from immigrating or remaining. Some countries (such as Australia and Canada) have highly regulated immigration programs where migrant founders may not meet the requirements that are focused on formal qualifications or job offers. Other countries have few barriers to entry and standard programs are sufficient to admit migrant founders without the need for a special programme.

There is real potential value to establishing a start-up visa programme. These programs can identify, attract and retain migrants that do not meet the standard mould or would not have otherwise considered the host country as an option.

There is a strong attraction for governments to seek out the next highly successful entrepreneur that will develop intellectual property or a transformative business, and ensure that the benefits of hosting that business are reaped by their country.

Countries that are yet to establish SUV programs may be missing out on migrant founders that could make significant contributions to their economies and societies – either because they have a policy gap or because there is low visibility internationally of their start-up environment.

However, countries that already have SUV programs should establish more robust processes to evaluate the outcomes of participants and adjust policy settings.

Countries that have established start-up visas have yet to develop metrics by which to judge the success of their start up programs. The SUVs presented in this brief often require more administrative resources for adjudication than other visas.

Evaluations are needed to refine policy settings and assess the benefit to the public, which funds the administration of the programs and bears the cost of any failures. Start-up visa programs are relatively recent and their value is yet to be demonstrated quantitatively, although they have not been subject to particular scrutiny so far.

Migration, or even the private sector, alone does not drive fundamental technological change.

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www.oecd.org/migration

¹ In Estonia and the United Kingdom, start-up visas may initially be renewed but holders will later need to apply for another visa stream. In

Studies suggest that it is a broad co-operation between government, the private sector and tertiary institutions that provide fundamental advancements in science and technology – with sometimes no immediate commercial applicability. These advancements provide base level tools for the private sector to develop into products that have a real impact on the economy and people's lives. While it is important to have visa options for the highly talented with unconventional backgrounds, migration is only one part of a larger project to foster innovation.

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Israel, the maximum stay is five years in any case.