



TREND

Training Refugee
Entrepreneurs

REFUGEE & MIGRANT ENTREPRENEURSHIP

Norwegian National Report

Edited by Microfinance Norway Association

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Migrant Entrepreneurship in Norway: A Short Background

I. History of Immigration in Norway

The migrant population in Norway is comprised of people from 244 different countries. People travelled to Norway to work until 1975 when the general work migration were closed off and only experts in certain sectors could get work permit. For others, political asylum or residence permit based on humanitarian grounds, and family unification became the options for migrants and refugees who wanted/needed to stay and work in the country.

II. Current Situation (*main migrant groups, demographic situation / differs*)



Figure 1 From the European Social Business Forum arranged by Microfinance Norway in Kolbotn near Oslo in March 2015 in partnership with Grameen Creative Lab and Nobel Peace Prize laureate Professor Muhammad Yunus

In the statistics, the first-generation migrant is one who is born abroad of two foreign parents. Second generation migrants are those born in Norway with foreign born parents.

The migrant population in Norway is currently (2017) around 883 751 migrants¹ and Norwegian-born to migrant parents as a share of total population people or 16,8 % of the population. If one excludes those born by one Norwegian parent, the overall percentage is 13, 8 as of 1. January 2017 (SSB

¹ Migrant is defined here as a person born abroad with foreign born parents and who has four foreign born grandparents.

2017a). 9,6% of the population (506 229 persons) originates from Asia, Africa, Latin America, Oceania except Australia and New Zealand, and Europe except the EU28/EEA. The non-western immigration took place mainly from the mid-80s, and 32% have spent less than 5 years in Norway whereas 16% have lived there for more than 25 years.

The largest non-Western (although some from Eastern Europe) migrant groups come from Poland (97196), Somalia (28696), Iraq, Syria, Iran, Eritrea, Pakistan, Philippines, Thailand, Afghanistan, Vietnam, Bosnia – Herzegovina, Russia and India. All these countries have more than 10 000 persons living as migrants in Norway. Several of these areas are, or have been areas of conflict, and many of the migrants came to Norway as refugees.

Oslo has the highest percentage of non-Western migrants, currently 18%, Drammen has 14%, and other areas close by Oslo and the other major cities have a considerable migrant population. Oslo and Akershus (the neighbouring county of Oslo) have 47% of the non-Western migrants in the country. 38% of the Western migrants also live in this area.

In 2016 17% of the total workforce in Oslo were migrants, and 70% of those had non-Western origins. The distribution of migrants across the different business sectors shows an over-representation of migrant workers compared with Norwegian born workers in the following sectors: restaurant and hotel, cleaning, and building and construction. There is also a significant under representation of migrants in the banking and financial sector, public administration, and teaching and in primary sectors such as fishing/farming. There are big variations within some sectors as well, with the most significant found in the cleaning sector: 6.6 % migrants versus 0,8 % Norwegian born workers engaged in this sector as seen as part of the overall service sector.

Figure 2 Migrant population according to origin

Immigrants and Norwegian-born to immigrant parents, by country background. 1 January 2017				
	Immigrants and Norwegian-born to immigrant parents, total	Immigrants	Norwegian-born to immigrant parents	Immigrants and Norwegian-born to immigrant parents in per cent of total population
Total	883751	724987	158764	16,8
The EU28/EEA, USA, Canada, Australia and New Zealand, and Europe except the EU28/EEA	377522	341321	36201	7,2
EU28/EEA countries	364127	328808	35319	6,9
European countries outside EU28/EEA	74032	57745	16287	1,4
Africa	121111	90501	30610	2,3
Asia including Turkey	286407	213987	72420	5,4
North America	11107	10301	806	0,2
South and Central America	24786	21538	3248	0,5
Oceania	2181	2107	74	0

Source: Statistics Norway

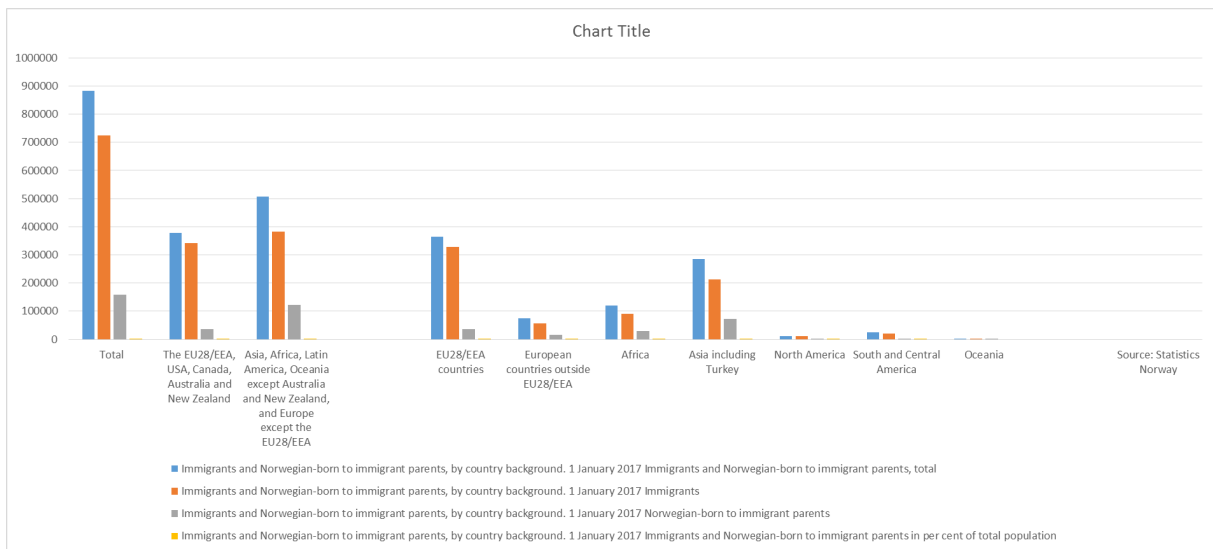


Figure 2 Refugee population in Norway

Persons with refugee background. 1 January 2018				
	2017	Change in per cent 2016 - 2017	2017	
			Proportion of persons with refugee background of all immigrants. Per cent	Proportion of persons with refugee background of the whole population. Per cent
Total	217241	9	30	4,1
Principal applicants	160000	9,6	22,1	3
Asylum seekers	108402	11,4	15	2,1
Resettlement refugees	33323	10,3	4,6	0,6
Other refugees	9903	-1	1,4	0,2
Unspecified	8372	-0,9	1,2	0,2
By family connection to refugee	57241	7,2	7,9	1,1
Family enlargement	16450	3,3	2,3	0,3
Family reunification	40744	8,9	5,6	0,8
Family unspecified	47	-2,1	0	0

Source: Statistics Norway

III. Dynamics of Migrant Self-employment (*start-up rate, sectors/branches, business sizes...*)

The migrant population in Norway is said to be more entrepreneurial and have a higher degree of self employment and enterprise creation compared with the general population. According to SSB (2015) 21% of all sole proprietorship enterprises are owned by a migrant. The number has raised from 17% in 2009, but 45% of this raise was due to enterprises being started by people from Eastern Europe, so the number for the North-western immigrants (and also refugees) were lower:

Number of newly established sole proprietorship enterprises according to country of origin of the owner

	Absolute number		Part of overall population		Total part of migrants	
	2009	2015	2009	2015	2009	2015
Whole population	2612	3416	4	8		
Migrants total	4392	7292	16,8	21,3		

Av dette:

EU-/EØS-land fra Vest-Europa	1200	1593	4,6	4,7	27,3	21,8
EU-/EØS-land fra Øst-Europa	897	2187	3,4	6,4	20,4	30
Afrika	282	617	1,1	1,8	6,4	8,5
Asia med Tyrkia	1359	1838	5,2	5,4	30,9	25,2
Sør- og Mellom-Amerika	197	344	0,8	1	4,5	4,7

Source: Ownership and roles, Statistics Norway

It is hard to say how many of the migrants who came as refugees (total number 217 241) and how the start-up rate is for refugees compared with other migrants (383 666). However, experience from working with migrant entrepreneurs over a period of 25 years, and judging from the part of the general non-Western part of the migrant population, is fair to say that probably around 40% of new enterprises started by migrants in Norway are actually started by refugees. No clear statistic exists showing this.

There are few statistics showing the reasons behind this situation. However, as a service provider of entrepreneurial training and access to microfinance, Microfinance Norway and its partners have experienced a lot of frustration among migrants who fail to get the sort of jobs they are qualified for, or who have jobs they are overqualified for such as engineers working in pizza restaurants, people with doctoral degrees not finding work or architects driving taxi. In this situation, many choose to start a business as an alternative to unemployment or underemployment. Many succeed well, but there are many obstacles such as access to finance, bureaucratic hurdles and the “welfare trap” that makes the process difficult. By “welfare trap” is meant that the secure welfare system is formed in a way that makes transition to self-employment difficult because one risks losing all support immediately after starting a business. If the person qualifies for unemployment benefit, the person may keep this support for up to a year in the planning and start-up period, but many migrants have never qualified for unemployment benefit, and are excluded from this option if they depend on social welfare or is just finished with the introduction program and never had ordinary salary income. Still, self-employment is seen as a good option for many who for various reasons get excluded from the labour market.

Many who came as refugees find themselves in Norway without documents proving their competence. Self-employment and enterprise creation may be a good option in this situation.

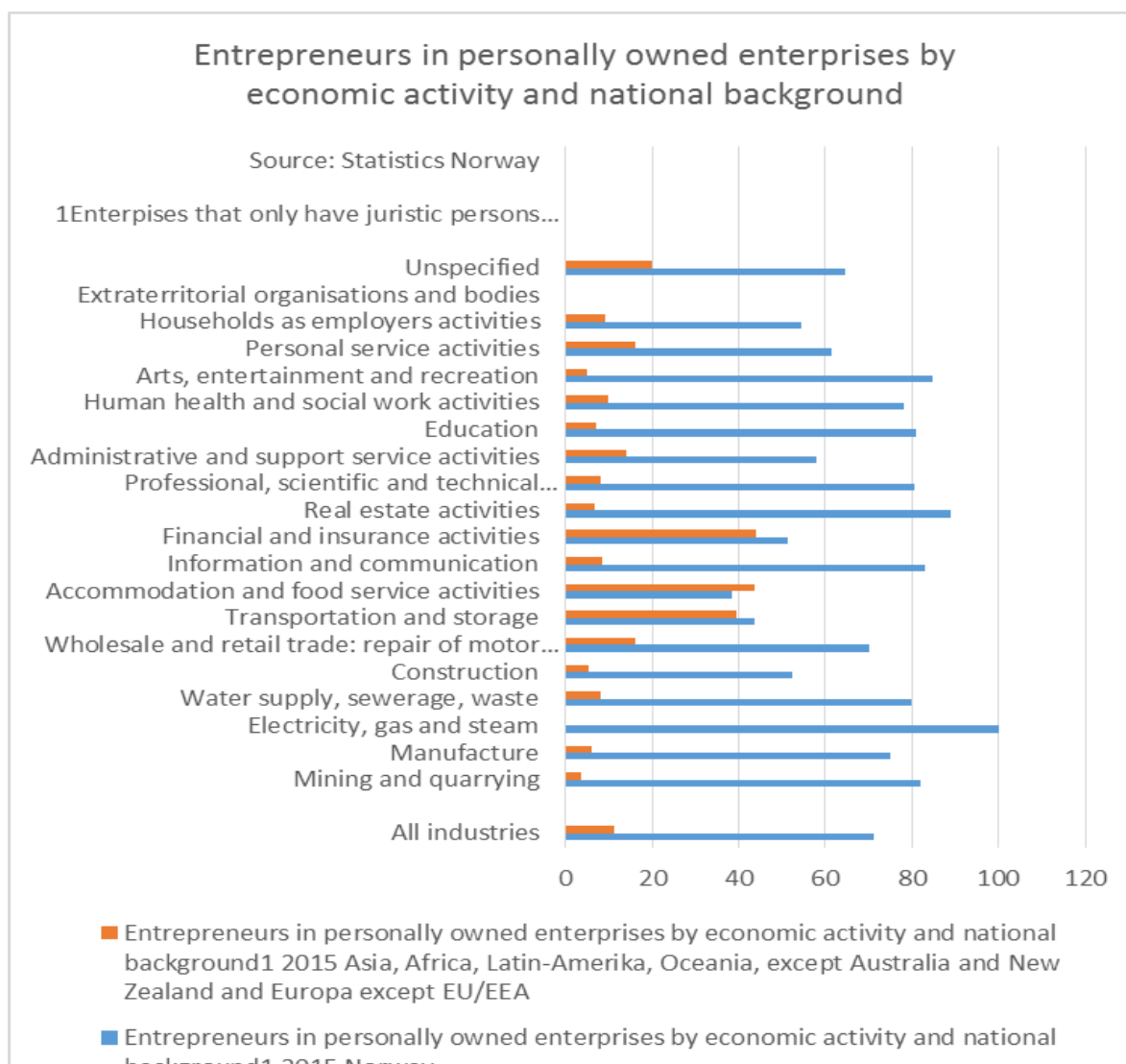


Figure 4

The enterprise sectors that migrants tend to be established within are illustrated in figure 4 above. This is the case for wage employment as well as self-employment or other forms of enterprise activity. There is a tendency that migrants take the jobs, especially within the service sector, that the majority of the population do not want, or where there are especially high demands for workers because of globalization factors, de-industrialisation and development of the service economy (Nor consult, 2005).

There is also a strong tendency for migrant business owners to employ other migrants as employees in their business. This way the entrepreneurial activity leads to not only a job for the owner, but also in many cases jobs for others who find it difficult to find jobs in the general labour market. According to SSB (2004), the entrepreneurship ownership structure shows that of all companies in Norway, 6,7% of the enterprises are owned by a non-Western migrants and employ between 5 and 50 persons, whereas 6,8% employ 1-4 persons and 3,9% have no employees. In the city of Oslo, this tendency is much more relevant: 20,6% of the enterprises owned by a non-Western migrants employ between 5 and 50 persons; 26,6% employ 1-4 persons and 9,8% have no employees. These figures show that the migrant entrepreneurs contribute in a significant way to job creation as well as wealth creation in Norway. This type of statistics are no longer produced, so the older numbers just show a tendency.

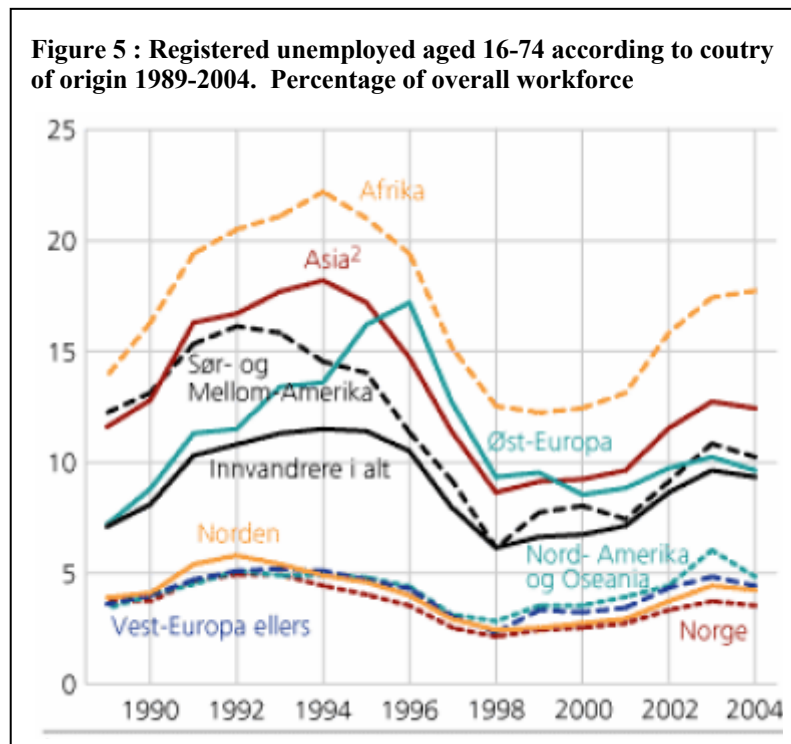
Push and Pull Factors: Migrants' Path to Entrepreneurship

Reasons for High Dynamics

a. Unemployment / Exclusion from Waged Labour

The labor market is the most important arena for creating good living conditions and for being able to implement good integration of immigrants in Norway (Østby, 2004). Figure 5 shows that a total of 68 per cent of all transfer refugees aged 15-66 were in work or education (including the introductory program) in November 2018. This is almost the same proportion as for all refugees as a whole (69 per cent), but somewhat less than for all migrants as a whole (74 per cent) and considerably less than for the entire population (83 per cent) (Statistics Norway, 2020).

The unemployment situation varies considerably among different ethnic groups with the highest degree of employment among people with origins from South and Middle America: 57% and the lowest among people originating from Somalia and Afghanistan: 25% and 24% SSB (2002 and 2003). The overall picture may be illustrated by Figure 5 below:



Although the general education level of several migrant groups (e.g. Philippines, Poland, Russia, India, China) are higher than among the majority population, the employment level in skilled work positions does not always reflect this fact. One example is the fact that for several years there has been a lack of engineers in Norway, and still many hundred engineers with migrant background remain unemployed or under employed in other sectors as “unskilled” workers. This might also have to do with willingness of the individual to relocate to other parts of Norway than e.g. Oslo. The typical companies looking for engineers are located along

the coastline of Norway servicing the oil & gas or the maritime sector. At the moment, there are a huge recruitment of engineers coming from Sweden and Eastern Europe to the many wharfs and servicing companies in the mechanical sector is going on while other non-Western engineers remain unemployed. Language can only explain a small part of this tendency as the general knowledge of Norwegian is quite good, and language training facilities are widely accessible. Some discrimination is still there. The situation of an migrant sending in several hundred job applications without receiving one call to be interviewed is not unusual. Many skilled well-educated people end up driving taxis or taking a cleaning job instead of working as doctors, engineers or architects etc.

Emphasis on the importance of documentation of skills and competence to get qualified jobs should be focused upon when people arrive in Norway. Many seem to arrive without necessary documentation of previous skills and competences. In addition, it is necessary to improve the

systems for approval of degrees from foreign universities and education institution in order to better integrate migrants in the Norwegian society.

b. Socio-Economic Situation

Because of the well-developed welfare state system in Norway, the economic situation of unemployed or underemployed people remains quite good, and there are several work training, work placement and other forms of employment projects going on. These projects and the combination of course support, unemployment benefits, social welfare payments and housing support makes it possible to have a standard of living that cannot be considered as “poor”. Still there are considerable differences in the income level among some migrant groups and the general employed population. The lowest income may be found among non-Western migrants, and there is a clear connection between inclusion in the labour market and the income level. With employment statistics in mind, it is no surprise that people originating from Africa, Asia and Latin America score lower in the income statistics than those from North America or Scandinavia. At the same time the stress related to the risk of losing income because of becoming unemployed is a real factor in many migrants’ life. Those who are employed do often have unsecured jobs, part time employment, or temporary employment. Moreover, entrepreneurs setting up new businesses take the risk of losing many of their rights to unemployment benefits and to other forms of public support even though the first year in business may lead to no or very little surplus to pay for living costs. These factors contribute to significantly lower socio-economic security for migrants than among the majority population.

c. Entrepreneurial Culture

If one looks at the entrepreneurial activity taking place out of necessity or because of entrepreneurial culture it is easy to see the much higher tendency to start an enterprise among migrants compared with the majority population. As the above statistics show, 37% of new sole proprietorships in 2004 were established by non-Western migrants. According to the experience of Network Credit Norway over a 25 year period, many migrants see entrepreneurship and self employment as a natural option either because of previous personal experience or that of their family being involved in running an enterprise. A majority of those coming to seek advice, join training or to ask for a micro loan have some previous entrepreneurial experience, and many want to continue working in the same occupation they had before coming to Norway. This is especially true within the service sector where one may find hairdressers, shoemakers, tailors etc. setting up a new business in the same sector as they worked in before. Compared with the majority of the population, migrants seem to have a more developed entrepreneurial culture which incorporates a lot of cultural and economic values and helps to diversify the business sectors in Norway’s increasingly multicultural society.

d. Ethnic Resources

Migrants have significantly contributed to the diversification of trade, food, services and culture in Norwegian society. Migrants have brought in many new products, services and innovations over the last 15-20 years. This is quite visible in parts of Oslo where one may find food and vegetables from all over the world, ethnic stores, articles, clothing etc. that add an exciting flavour to the previously quite homogenous Norwegian selection. At the same time trading contacts in Norway and abroad have added to the globalization process, but Norwegian firms do still have a great untapped potential to expand into non-Western markets by linking migrants’ resources with their own expansions into the migrants’ countries of origin to a greater extent. The building of networks for this purpose is now taking place through some initiatives like the Norwegian Centre for Multicultural Value Creation in Drammen, Microfinance Norway and partnerships with other business organizations and networks.

e. Market Opportunities

As mentioned above there are reciprocal market opportunities linked with immigration: in the country of origin and for new products/services in the Norwegian market. Many migrant entrepreneurs see these opportunities and try their best to establish themselves with new products and ideas. However, in some cases products that are popular in the country of origin may be popular only among a limited group of customers in Norway. Many migrant entrepreneurs therefore want to learn more about marketing, product selection and pricing as well as general knowledge about reaching the market in Norway and abroad. Many new products may also be marketable, but because of lack of capital the needed marketing activity cannot take place, and the business may fail.

The new market opportunities for Norwegian businesses being established in some of the migrant's countries of origin are greatly underdeveloped. Two great examples of this process are the telecommunication company Telenor with their Grameen Phone involvement in Bangladesh and their export of Norwegian communication, and the development of fishing technology in the Middle East. However, there are still a lot untapped potential using migrants as "bridge-builders" or direct entrepreneurs who can bring Norwegian business and technology into new global markets.

Reasons for Low Dynamics - Inactivity Trap / Unemployment / Socio-Economic Situation

As mentioned before there is a risk of losing certain benefits when setting up a new enterprise as the overall social welfare system in Norway is closely linked with wage employment and needs a drastic reform to make it more attractive to start a business instead of relying on welfare or unemployment benefits. Despite this the start-up rate among migrants is much higher than among the majority of the population even though the vulnerability in case of illness, pregnancy, loss in business or family crisis is considerable. In many cases a combination of wage employment (at least 50%) and entrepreneurial activity offers a good option but slows down the process of establishing a profitable business and ends up making some people work 12-14 hours each day! In such a situation there is a need for overall welfare reform, especially incentives that make self-employment or other entrepreneurial activity more attractive without running too much of a risk of losing one's livelihood. But information about the right to obtain allowance under business start-up could surely be improved as well as creating a new system for follow up of entrepreneurs during the important first stages.

In this context the Back to Work Enterprise Allowance in Ireland provides a good example of what would be a good policy to implement in Norway as well. See more information on <http://www.welfare.ie/en/Pages/Enterprise-Allowance-Self-Employed.aspx>

In Norway the unemployment allowance scheme has an opening to give allowances under the preparation and setup phase of self-employment without any reduction in allowances up to one year. The condition is that the person qualify for unemployment allowance and have a realistic profitable business idea, and many migrants who only have joined work training schemes, courses, or never have been working do not qualify. This makes the start-up period very challenging, as in the case of refugees, many of them are dependent on social welfare for their livelihood, and such support does not qualify for any bridge funding while starting a new enterprise. An extension of the period for those who qualify would also make it more attractive to start businesses. In addition, information about the right to obtain allowance during the business start-up period could be improved as well as installing a system for better follow up of entrepreneurs during the important first stages.

Restrictive Legislations for Migrants

Refugees and migrants need to have a residence permit and work permit in order to set up a business in Norway. Otherwise, there are no specific restrictions for migrants.

Bureaucratic Hurdles on Business Creation

Most of the refugees and migrants in Norway are originating from countries characterized by a strong informal sector developed alongside the formal sector and seemingly not many efforts are made to join the two. Among those who seem to have a typical informal sector background, the bureaucracy involved in establishing a business in the Norwegian society may be challenging and overwhelming.

There is a lack of information for the potential migrant entrepreneurs which would be able to guide them through the bureaucracy and to present them the different entities an entrepreneur needs to relate to or could benefit from. And most of the public system for assisting entrepreneurs in their start-up efforts seems unaware of the great potential of migrant entrepreneurship. Moreover, it seems important to meet a person face to face and know who to approach for various questions that might arise. Written information might not be enough as a means of communication with the migrant target group. Personal meetings with face-to-face communication and partly the use of social media is more effective, but needs more resources.

Supportive Measures for Migrant Entrepreneurship

In Norway, there are several services especially established to provide guidance for refugees and migrants wishing to be self-employed or establishing a business. In Oslo, Bergen and Drammen these centres are established as a partnership between city or regional authorities and specialised staff who carry out entrepreneurial courses/gives personal advice.

In Drammen, The Norwegian Center for Multicultural Value Creation (NSFV) is the national competence center in the field of multicultural value creation. It was launched in 2005 as part of a partnership EU project where Microfinance Norway was lead partner. The center has offers for entrepreneurs and business managers. Their slogan is: "A value-creating multicultural Norway" See more info (in Norwegian): <https://fag.nsfv.no/index.php/no/>

The oldest entrepreneurial service for refugees and migrants in Norway was founded in 1996, and is today called Microfinance Norway association and is the lead partner for this TREND project. It has throughout the years supported more than 1400 refugee and migrant entrepreneurs with entrepreneurial training (individual or group based), network and access to microfinance. It has been running entrepreneurial training courses in Oslo, Oppegård, Bergen, Trondheim, Bærum, Ski and Drammen, but these days there is just some activity in the Follo region. The future plan for Microfinance Norway association is a close cooperation with Oslo International Hub and Oslo International Welcome Center.

Oslo International Hub (OIH)

Oslo International Hub at Oscars gate 27, Oslo was established in January 2014. It is Norway's largest permanent meeting place for international knowledge workers. Over 4,000 people have been their customers, and many have launched their own startups with them. OIH have experience with most relevant topics regarding internationals, from talent attraction to friendliness to welcoming foreigners. Oslo International Hub is now an renowned actor in the Norwegian innovation

ecosystem, has significant experience guiding and helping to develop professional youth and young entrepreneurs living in Norway. With approx. 100 member companies driven by leaders with international backgrounds, they have a broad competence set and network.

Oslo International Hub is not just another co-working space. The Hub is also an incubator heavily involved in the development of local and internationally-minded companies, both members of the Hub and others. Oslo International Hub prides itself on being at the center of cross-border business in Oslo by welcoming delegations of business professionals from other countries and facilitating the set up of bilateral Chambers of Commerce.

OIH is an environment for innovation and development, where entrepreneurship and international business meet, and social and professional networking go hand in hand. Networking and access to information is offered to hundreds of migrants every year by OIH, and they have also started Oslo International Welcome Center.

Oslo International Welcome Center is an initiative from Oslo International House supported by the Oslo Region alliance, which consists of the City of Oslo, Viken county, Innlandet county and 67 municipalities in the greater Oslo Region. They assist persons moving to Norway. And most importantly, they want to help the newcomers put their talents to use in the Norwegian job market. They help migrants/ internationals to find their spot to contribute with their talents. As anywhere, finding that dream job is not easy. Oslo International Welcome Center is also a connecting point for companies and highly skilled internationals and migrants in Oslo. They also operate as an information center with services to make sure the whole process of integration into Norwegian society and business network will go as smooth as possible. Social events, workshops, seminars, presentations on a regular basis are organized to make expats feel welcomed, included and successful. They also offer advice with daily living issues or how to start your own business. Many internationals in Norway struggle to find the job which suits their competencies and interests for several reasons. Or they barely think about self-employment as an achievable potential.



Source : <https://oslointernationalhub.com/international-welcome-center/>

Maria Amelie, a well profiled refugee in Norway, now works on Startup Migrants. It's a book that has become a business with the aim of changing many more minds in Norway and all across Europe.

[Startup Migrants](#) has a very clear mission statement: "By not adequately supporting migrant entrepreneurs, Europe and the Nordics are missing out on key communities who are creating opportunity, employment and innovation."

Initially, Startup Migrants was a book, but quickly grew into a business. Maria and her co-founders plan to build a data insights product for cities to combat unemployment and boost intrapreneurship.

Links from the show

- Maria's [personal website](#)
- The book and website, [Startup Migrants](#)

CHARGE DIGITAL BOOTCAMP

Is a event for 25 most promising migrant startup teams are invited to a digital bootcamp where 15 will be selected to join their program. At the bootcamp they work together with the entrepreneurs regarding their business idea, and do pitch-training etc. 15 of the most promising startups will be selected to join the Charge program.

What Charge are looking for

People with an entrepreneurial spirit:

- People that can drive their project forward independently
- People that are coachable
- Teams will be preferred

The business idea:

- In the initial stages; ideation, MVP, or generating revenue. Maximum 2 years operating.
- An idea that fills a real need in the market.
- A sustainable business model with a competitive advantage.

There are also international centers in Bergen, Stavanger and Trondheim.

In Bergen, [Etableresenteret](#) offers entrepreneurship training in Norwegian and English. They have had special focus on migrant entrepreneurs for several years, and offer inexpensive services targeted at international entrepreneurs.

In Stavanger, [International House](#) has offered services for migrants for years. They have now merged with Stavanger municipality.

In Trondheim, Microfinance Norway offered entrepreneurial training courses for migrants in cooperation with Trondheim municipality during the period 2007-2017. Also NTNU has activities and services aimed at migrant entrepreneurs.

Migrants' Needs

The case of Rashid Alswedan, Refugee from Syria who started Nordre Follo Frisør AS (Hairdressing saloon) illustrates the capacity of a refugee coming to Norway:

Rashid came as a refugee from Syria to Norway in 2014. He had more than 20 years experience from owning and running his own chain of 5 hairdressing saloons in Syria, and also experience from other countries. He was really motivated to start, and learnt Norwegian fast enough to qualify for joining an entrepreneurial training course run by Microfinance Norway in 2016. Already in May 2017 he decided to actually start his own saloon, Oppegård Frisør. It was a lot of hard work, long hours and loss of all support from the welfare office. He took a loan from Microfinance Norway and from friends, but it was still very risky to start, but he made it! In 2019 he also started his second saloon in Ski and changed the name to Nordre Follo Frisør. In 2020 during the Covid 19, he started his third saloon, Frogner Barbershop in Oslo. Now he and his family manage to support themselves and he has many customers who come regularly, but as of 2020 the Covid19 situation has been challenging, and he is considering involving investors to continue his expansion.

Results from interviews in a conference:

Three migrant entrepreneurs told their story and experience from establishing an enterprise in Norway. The establishments vary from a tailor service and a shop, to becoming self-employed language teacher.

14 years ago **Qudsia Amatul Quddus** from Pakistan, participated in an entrepreneurial training course organized by the Network Credit Norway (NCN). This course helped her to start "Quddus Skredder," an enterprise that offers tailor services. With the first loan that NCN provided, Ms. Quddus bought a sewing machine. This was the beginning of "Quddus Skredder," which today has many customers. The media has also taken an interest in Ms Quddus` company, which is mentioned in the local news paper two to three times a year and a feature article in a national newspaper, Dagsavisen. She was still running her own enterprise in 2018.

Before setting up her own enterprise, Qudsia Amatul Quddus was unemployed. Until she participated in the entrepreneurial training course, she did not know how to create a business and thought she could not do anything. The local authorities had offered her a job in a kindergarten, but she did not feel comfortable there. Looking back now she would give other migrants the advice to "...speak up and tell what you can and know, so as to make sure you are placed in the right job." She emphasises how important it is to do what one is good at. Qudsia Amatul Quddus has now lived in Norway for 18 years with her four children, and tells that today her children come to her and say: "Mom you are very strong." She took 3 loans from Microfinance Norway to finance her startup business that is still running today.

Maria Antonieta Bucio has a different story to tell. She came to Norway from Mexico in 1993 as a student, and is now married to a Norwegian. She could not find a job she felt satisfied with and got the idea of giving Spanish lessons. Ms. Bucio says that in Norway it is easy to get a job, but not to start a company. For starting a company you need access to capital, and this she did not have. Before starting she was working at the airport, and though she had some money she did not have enough. Through Microfinance Norway Ms. Bucio was given a loan and with the first money she bought equipment such as chairs and educational materials. Later on she took new loans for expanding her business premises. As of 2018 her business related to language and cultural training has expanded substantially; she has employees, between 100 and 150 pupils, and she is also engaged with cultural events and a network for international business women in Oslo. During the earlier stages of her business she also had to work long and hard days, in average 15 hours a day including Sundays. Creating a business does not mean that you will automatically become rich, she says and for succeeding "...you need to have dreams, visions and start-up capital."

The next story was told by **Evans Otens Oseki**. He is originally from Nigeria. About seventeen years ago he opened his own shop in Tønsberg. Being unemployed were one of the reasons why he created his own business. He says that when a company first has to start dismissing their employees, Africans are the first who have to go.

At the time of starting, Mr. Oseki formed a network group "African Way" with three others from Africa that was connected to Microfinance Norway. Being in a network group was motivating, and Mr. Oseki has also been an inspiration for the others as he is the only one with a shop in the group. Some years ago he was given a loan of NOK 74000, which he invested in the store and repaid.

When asked if he feels integrated into the local community, he explained that what is even more important is that he can accept himself. The feedback he has got from the locals is positive, but they still think of him as an migrant. Mr. Oseki makes a comment that he often knows more than

them [the locals]...or at least that he has better humour than most of them. For the future Evans Otens Oseki has big goals. He wants to go into real-estate. This is where the money is, he told.

All the panellists had to work hard when they started their businesses, but are now more or less able to work shorter days. They all speak Norwegian and when asked what kind of advice they would give to other migrants, learning the language is an important factor. When coming to a new country you need to learn the language and get involved in the society. But Mr. Oseki emphasises that there has to be an effort on both sides – from the migrants as well as the local community. He also thinks that there are many other elements why many migrants are on welfare, except from language. Discrimination is a large factor. Today many overqualified migrants are unable to find a job that fits his or her qualifications.

When the panellists are asked why they chose to become an entrepreneur, they all say that they were personally motivated. Becoming an entrepreneur wasn't something they were forced to. But as the moderator pointed out, there are also many who fall outside the system. In need of a job, self-employment is one solution, although some might not have the "entrepreneurial spirit."

Access to Finance

a. Access to Banks

Access and relationship to a bank might vary with the integration level of the migrant entrepreneur. The will from banks to offer loans to startup enterprises without collateral in real estate is very low. This is a fact regardless of ethnicity of the entrepreneur. Moreover, banks are often not able to give business advice to their clients; the relationship is merely about financial services.

According to the NCN's experience, the migrant participants of the training courses have a well established relationship to a bank either through a current account for their salary and in a few cases through a house mortgage. But in most cases when they try to apply for a business loan from a bank, it is refused due to their lack of collateral and ability to pay because of being/becoming self employed.

Improved access to bank loans would be an encouraging incentive/measure but is often only one part of what is needed to be a successful entrepreneur.

b. Public and Private Financial Support Schemes

Information about public financial support schemes does often not reach the migrant entrepreneurs. Access to such schemes, require a formal application and documentation of the costs incurred in the project. It therefore requires good language skills and ability to do good business planning on paper. Such skills may require a entrepreneurial training course. There is also a problem in relation to sectors supported by such support schemes and the geographic location of the enterprise. The major focus of public grant and support schemes for entrepreneurs in Norway are based on enterprises in rural areas, production enterprises, innovations, enterprises with high growth and export potential. The small enterprises in central areas of the country where most migrants live have and in the service/food/trade sectors does not qualify for grants or support except from the microfinance schemes.

c. Microfinance: Why and How?

The first microfinance schemes were started in Norway in 1992 in the Lofoten islands. The first microfinance scheme aimed at refugees and migrants started in 1996 and developed into what is now the two organisations Microfinance Norway Association, the coordinator of the TREND Erasmus+ EU project and Microfinance Norway AS, owned by the association.

Microfinance Norway AS (MFN AS) is a non-profit social business loan fund that provides financing for financially excluded entrepreneurs that aim to start livelihood enterprises. Our partner, the Association Microfinance Norway, provides business training and organization of the loan groups, while MFN AS deals exclusively with loan applications and repayment. In order to achieve financial sustainability and independence, the loan fund aims to raise a total of NOK 50M in lending capital over the next three years, through a combination of grants and loans, mainly through private companies, high net worth individuals, and charitable organizations.

To sponsors/funders we offer a high social return on investment, through employment and self-realization for those currently outside the workforce. To lenders, in addition to the social return, we offer a 2.5-3% interest rate (Nibor +1%), and a low risk due to an expected 80% guarantee (capped at 30% of total portfolio) through EU's EIF Guarantee Fund, as well as savings account collateral of 10% of total amount borrowed by each customer, resulting in only a 10% risk for lenders.

The organization is built on a proven microfinance model, which has been highly successful throughout Europe. If provided with similar funding, MFN AS has the potential to become an entirely self-sustaining organization enabling thousands of financially excluded individuals to become active members of the workforce through entrepreneurship.

Microfinance Norway AS received a permission from the Norwegian Finance Ministry in December 2016 allowing it to lend to members as a non-bank independent financial institution. The Due Diligence process for this permit was carried out by the Financial regulatory authorities in Norway: Finanstilsynet. It also received an exception from paying tax as a not for profit company.

It is still a challenge to capitalize the fund, and a restart of the loan fund's activity is planned for 2021. In the history of the preceding initiatives of Microfinance Norway, Network credit Norway, and Foundation Microinvest and the Self Help Project for Refugees that was started in 1996, a total of 166 enterprise loans have been given to mainly refugee/migrant entrepreneurs with a total amount of 5,5 mill NOK.

d. Case Studies: Successful and Inclusive Services

In Norway a pilot project with emphasis on training and mentoring services for migrants entrepreneurs have been running with support from the Ministry of Labour and Social Inclusion since Oct. 1. 2005. In this period 240 migrants entrepreneurs have received training/follow up by using different approaches to entrepreneurial training. Based on the experiences from this partnership project the migrant entrepreneurs need some special training, services and follow up in the early stages of establishing a business as a first step to a later inclusion in the mainstream services and schemes for entrepreneurs at a later stage. It is all about differential treatment in order to reach the same opportunities at a later stage. The picture is mixed, and we have success stories where migrants with less than one year residence in Norway have establishes successful businesses with turnover of almost €2 mill. in less than a year. We also have examples (more typical) of persons who after living in Norway for more than 10 years excluded from the labour market finally manage to follow their dream of using their abilities and be self employed. In each case the ability of training / advice to be adjusted to the needs of the entrepreneur seem to be a success criteria. In the process the pilot project adjusted to less course training and more individual advice and group network gatherings. Access to finance proved to be very important for the start up, and 29 micro loans have been granted so far in 2006 alone to participants in the pilot project.

II. Access to Non-Financial Business Support

a. Access to Mainstream Business Support Services (*What Works, What Doesn't and Why?*)

It is quite difficult for the migrant entrepreneurs, unless they are well integrated in the Norwegian society, to have access to mainstream business support services. One reason for this is lack of access to information about such support services. Information is often published in media such as local and national news papers, local television stations etc., media that are not necessarily utilised by

migrants. Language is a further barrier to access business support services, as it requires abilities to write an application in Norwegian, and often it requires discussions of the application with the actual institution providing the service.

According to one of the major actors in the field, Charge, these are some of the challenges:

The potential among first generation migrants is large, but the barriers are the following:

Lack of knowledge and access to the Norwegian business culture and society to build a successful business and industries is key to business success: When you are new to a country you do not have the same knowledge and access to the business culture and society. The entrepreneurs in Charge will be hosted by industry partners that provide valuable experience and an inclusive, vibrant work environment.

Lack of knowledge of formal and informal rules: The Norwegian business culture is built on trust. Lack of knowledge of formal and informal rules can lead to misunderstandings and uncertainties. Entrepreneurs need that kind of knowledge to build trust, make the right business assessments, maintain contacts and contracts.

Lack of knowledge of legislation and interaction between government and industry: The Norwegian public sector is a large sector, and the entrepreneurs can miss out on great opportunities if they do not have knowledge of how to trade with this sector, and how they operate.

Lack of operational help and close follow-up: When you are new to a country you operate in an unknown market. To operate in that market will take time and resources. With operational support and close follow-up, entrepreneurs will not lose momentum (motivation) when trying to navigate in the Norwegian market and run their business.

Missing relevant and professional network: In the Norwegian market a lot of the agreements, employments and trades are being done off-market (within a network). When missing the relevant and professional connections, entrepreneurs have limited access to their target market.

Source: <https://www.charge.no/about/#about-us-separator>

b. Migrants as a Specific Target Group for Business Support

According to the pilot partnership project of Microfinance Norway in 2005-2006 the experience it is beneficial for migrant entrepreneurs to have special attention in order to access business support. Information about who to approach in the mainstream system is also essential, but may need face to face information in order to reach the migrants in a way that make them use such mainstream services. Therefore it is essential to have advisors guiding them through the bureaucracy and assisting in setting up meetings with the right people. The society will also benefit from such specific support, as the migrant entrepreneur will more likely be aware of rules and regulations i.e. in the restaurant business, and have an opportunity to apply for the right permissions. Thus, the migrants' business is more likely to operate according to standard rules and regulations.

C. Conclusions and Recommendations

I. Outreach

- Working with Partners: Raising Awareness Regarding Potential of Migrants as Entrepreneurs

There is a huge need to make traditional institutions/organisations in Norway working with entrepreneurship aware of the potential of migrant entrepreneurs. Our role can be to inform both ways, facilitate meetings between institutions and migrant entrepreneurs, and also to give advice on how to plan approaches to include migrant entrepreneurs. In the pilot project the various partners with some experience of working with migrant entrepreneurs joined forces as one pilot project instead of competing with each other for scarce sources. This approach proved successful, and referrals of customers among the partners have also taken place, and have created some benefits for participants in courses/trainings/networks. The common recruitment efforts in the Oslo area made it easier to get the right type of participants to the appropriate type of training/advice. The close link with the Foundation Microinvest and Cultura Bank for financial purpose also made it possible to finance projects that otherwise would not have received funding.

Targeting Specific Communities Directly (*building good relations with community networks; importance of word-of-mouth; where to reach them...*)

The Pilot Project has targeted participants through various networks and in partnership with migrant organisation. Still, the most efficient recruitment method was by word of mouth from entrepreneurs who have used the services of MFN or other partners before, and through public office referrals. Spreading of flyers and media coverage also brought participants. The web-pages is an important means of information, but not so accessible for all. Social media is in many cases the best source of information for migrant entrepreneurs.

Improving Access to Finance

There is a need for understanding the specific needs of migrant entrepreneurs in relation to access to finance. Although the banking sector may not actually discriminate migrants, the typical lack of permanent employment, collateral such as real-estate and networks that may help as guarantor make migrant entrepreneurs more vulnerable compared with other micro entrepreneurs. At the same time migrants use their ethnic networks and relatives to a large extent to raise funding for enterprises. There is no research on this issue yet, but a great need to research these issues more closely.

- Strengthening the Microfinance Network

The Norwegian microfinance network is still small and vulnerable, and need long term commitments from donors/social investors in order to serve the huge needs among the migrant entrepreneurs in a sufficient way. There is a stream of interested customers, but no stability in relation to funding allowing for scale up of the operations. More networking among actors in the sector to build strong networks that can serve the whole country in a more homogenous way is needed as well as more capacity building and training for advisors, loan officers and mentors. Partnership with banks have proved essential, and the example of the involvement of Cultura Bank in partnership with Microinvest may be more promoted. An guarantee from the European Investment Fund (EIF) have been instrumental in building the efficient banking partnership with Cultura bank needed to scale up lending operations, and thus offer funding options to participants in the pilot project.

- Bank Inclusion

A financing panel consisting of various partners is being planned in the Drammen/Oslo region. The idea is to bring investors, micro finance providers, banks and mentors together as a panel in order to judge promising enterprise projects with difficulty to raise the needed financial means. This panel will typically focus on the bigger projects above € 20 000, and the aim will be to make banks become more involved in co-financing where other actors are also involved.

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