

# Summary

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Fafo has been commissioned by the Ministry of Justice and Public Security to evaluate the grant scheme for entrepreneurship training for immigrants, seen in light of the main goals of this scheme:

(...) to reinforce and develop the regular opportunities for entrepreneurship training in the municipalities and counties, so as to better facilitate entrepreneurial activity among immigrants and thus create increased employment and growth. (IMDi 2014)

The grant scheme was introduced in 2014. The scheme provided local councils and county administrations with an opportunity to apply for project funding from the Directorate of Integration and Diversity (IMDi) to better adapt the regular entrepreneurship training programmes to immigrants who wish to establish their own businesses.

In 2015, the Standing Committee on Local Government and Public Administration decided that the Norwegian Centre for Multicultural Value Creation (NSFV) should be given a key role in the scheme, acting as a national competence centre for migrant entrepreneurship. NSFV is a centre for entrepreneurship training that aims to boost start-up activity and value creation among immigrants and is owned by Buskerud County Administration.

From 2014 to 2017, approximately NOK 6 million has been allocated to the grant scheme annually. In line with the instructions of the Storting, most of the funding has been channelled through NSFV. In 2017, altogether 13 grant recipients received project funding.

In this evaluation we have investigated the following:

- The extent to which the results of the projects that received support in the period 2014–2017 have helped achieve the main goal of the grant scheme.
- The extent to which the Storting's explicit goal that the NSFV should extend its activities as a national competence centre for entrepreneurship training for immigrants has been achieved.
- The extent to which the IMDi's administration of the grant scheme has contributed to the achievement of the main goal. Furthermore, whether the grant scheme is efficient in terms of its resource use and organisation.

- IMDi's roles as administrator of the scheme and as a collaboration partner for NSFV in the development of NSFV into a national competence centre for entrepreneurship training for immigrants.

The evaluation is based on a broad, qualitative collection of data. We have interviewed all grant recipients; undertaken field visits; interviewed immigrant entrepreneurs who have participated in selected programmes; retrieved applications, project reports and other available documentation of the projects; and reviewed letters of allocation, circulars, overviews of allocations, and annual reports from IMDi. We have also reviewed previous evaluations, studies and reports from similar grant schemes, instruments and projects in Norway and our neighbouring countries.

### **Entrepreneurship training for immigrants who wish to establish their own businesses**

Norwegian authorities wish to help improve the opportunities for immigrants to succeed in establishing businesses, and have chosen entrepreneurship training as the preferred instrument. The proportion of immigrants who establish themselves as self-employed has increased rapidly in recent years, from 17 per cent in 2009 to 21 per cent in 2015 (SSB 2017). As a result, immigrants are significantly overrepresented in the statistics of start-ups. However, survival rates differ distinctly between immigrant groups based on national background, and some groups figure in the statistics with considerably lower rates of survival than the national average.

The basis for the grant scheme is that immigrants represent a diverse group that encounters a number of barriers at the individual and structural level when intending to start a business in Norway. Challenges that the current literature highlights as more or less specific to immigrants include language barriers, financial resources, administrative skills, institutional competence, cultural skills, vocational/industry-specific skills, business skills, access to networks, trust and discrimination. The challenges that immigrants face in the context of establishing a business mutually reinforce each other, and language skills and access to networks are also regarded as the main keys to overcoming the other barriers to starting a business. Some are also concerned that many immigrants establish businesses without having the appropriate qualifications to succeed, and believe that there is a need for better information regarding what is required in order to successfully set up a business in Norway.

Furthermore, they encounter a diversity of municipalities that provide different and often insufficient training and guidance. In our evaluation, we have discussed with our informants the challenges involved in providing entrepreneurship training to immigrants on the one hand, and the deficiencies of the existing entrepreneurship programmes on the other. The responses can be summarised under two main headings:

- *An educational challenge*: To communicate the knowledge, skills and understanding required to succeed – an educational challenge
- *A structural challenge*: To improve the immigrants' access to services, networks, opportunities and funding – a structural challenge

The primary remit of the grant scheme is to strengthen those local councils, county administrations and private sector agencies that constitute this landscape in order to ensure better service provision on a more equitable basis. Local councils, county administrations and institutions with high-level expertise in entrepreneurship are eligible for funding. Grants are allocated by application for one year at a time.

The majority of the grant recipients have used the grant for establishing special training courses for immigrants, with varying definitions of their target groups. A small proportion have engaged systematically in the training of start-up advisors, and a minority have spent the funds on developing methodologies or digital aids intended to provide knowledge that will be transferable to other entrepreneurship services. Some choose to provide training courses in Norwegian with an interpreter, others provide training in simplified Norwegian or in English. The grant recipients disagree on what should be considered best practice.

A small number of projects directly address regular service providers as their target group, providing coaching/competence development for staff members. However, among grant recipients who provide training courses for immigrants, there are fundamentally two different perspectives on these courses compared to the regular service providers. Training courses are either provided in parallel to regular courses arranged locally – i.e. a separate programme for immigrants, corresponding to the one provided to ethnic Norwegians – or else the training course is regarded as a kind of pre-qualification that is intended to pave the way for participants to access the ordinary apparatus for supporting entrepreneurship.

The grant scheme has enjoyed most success in providing entrepreneurship training to immigrants who wish to establish themselves as self-employed

through projects implemented locally. They have focused especially on compensating for the immigrants' lack of familiarity with Norwegian laws, regulations and enterprise culture, and insufficient understanding of the systems and skills associated with running an enterprise in Norway. Some immigrant entrepreneurs have also been provided with the opportunity to attend networking sessions, individual coaching and mentoring schemes, but the grant scheme has had less success in helping establish appropriate measures for promoting access to funding and business networks. There is no available data that allows us to say whether the implemented measures have caused immigrants to establish enterprises with better prospects for growth. Immigrant women have been a prioritised target group for the grant scheme since 2017, but this has had no particular effect in terms of developing measures specially adapted to immigrant women. Project management by the county administrations can tentatively be termed a success factor in targeting the projects on service development and competence enhancement in the policy implementation system, but the results are as yet unclear, since these projects were only launched in 2017. This evaluation suggests that the grant scheme has increased awareness of immigrant specific challenges to entrepreneurship, among the grant receivers as well as in other parts of the country.

Because of the challenges involved in documenting results and insufficient transfer of experience, the grant scheme has not provided any documentation of what kinds of entrepreneurship training can best enhance the preconditions for success for immigrant entrepreneurs. The projects have helped develop tailored programmes for immigrant entrepreneurs in many locations around Norway, but their integration into regular service provision varies and few projects seem to be sustained when the financial support from IMDi is terminated. Challenges associated with learning and collaboration across projects have presented an obstacle to development of the regular programmes for entrepreneurship training, because of market competition as well as the absence of national content management.

### **Development of a national competence centre**

The Standing Committee on Local Government and Public Administration has wanted the Norwegian Centre for Multicultural Value Creation (NSFV) to act as a national competence centre in this sector and to collaborate with IMDi and other relevant agencies to facilitate a more streamlined nationwide competence enhancement programme for immigrant entrepreneurs. In light

of this evaluation, we cannot see that the NSFV has lived up to these expectations.

NSFV has sought to fill this role by focusing on collection, development and communication of knowledge and by providing services that can help establish collaborative efforts in the area of multicultural entrepreneurship. This mandate was developed by NSFV and approved by IMDi.

National remits that the NSFV seeks to prioritise include an annual conference (Energetics), development of a digital platform for frontline entrepreneurship coaches and multicultural entrepreneurs nationwide, and acting as an outreach advisory service for local coaches (the preferred method is knowledge transfer through workshops and training courses). As of today, the digital platform contains a forum for discussion and knowledge sharing between entrepreneurship coaches, but it is not widely used. A digital solution for immigrant entrepreneurs has not yet been developed. The advisory services that NSFV has developed receives positive testimonials, but their scope is limited.

One part of NSFV's activities as a national competence centre has dealt with local knowledge development. The centre devotes considerable efforts, including use of the national funds, to undertake operational training activities and coaching for immigrants. The extent to which these operational efforts are transferred to work that benefits other projects and services is unclear, however. NSFV has only partly made the knowledge development undertaken locally about 'best practice' for tailored entrepreneurship services available to others through documentation and/or training of other agencies.

Collaboration between NSFV and the other projects remains an unsolved challenge. NSFV has implemented networking sessions that have somewhat helped the grant scheme projects meet together, but the projects that have been in the scheme for some time call for NSFV to contribute more to knowledge sharing and lead a national collaboration on skills development. For many local projects, NSFV provides only administrative services that could have been provided by IMDi. NSFV reports that their efforts to collect knowledge on the work undertaken in the other projects have been hindered by an unwillingness to share on the part of the projects. NSFV's role as a promoter of national collaboration is challenged by their ambition to expand nationally, which makes them a potential competitor to the local projects.

The evaluation shows that NSFV has so far not succeeded in fulfilling the need for a national body that can ensure that lessons from the various projects are disseminated and that new projects are based on experience, models

and tools that have come as a result of efforts in earlier projects. They have failed to ensure national collection and communication of knowledge to a sufficient extent, nor provided services that help promote shared efforts in the area of multicultural entrepreneurship, within the grant scheme or nationally. We may thus question the cost/benefit efficiency of allocating a large proportion of the grant scheme's funds to a single grant recipient with a national as well as a local mandate.

### **IMDi's administration of the grant scheme**

By permitting considerable latitude in the local design of measure, choice of target groups and selection of instruments, IMDi has promoted testing of many different models for entrepreneurship training for immigrants through the grant scheme. The skill content of the training provided has been relatively similar in all cases. By and large, the training courses provided are largely similar to regular entrepreneurship training, with some extra components added to address Norwegian labour market culture. The objectives, approaches and forms of organisation vary greatly, however, and new pilot projects are constantly being initiated. IMDi has not to any great extent addressed the issue of what project designs or relationships to other services are the most appropriate. As a result, support is currently provided for training courses in Norwegian, English and with interpreters, with and without individual coaching, within as well as in parallel with the regular service apparatus used by other entrepreneurs, and for a variety of target groups, without having obtained any insight into what approaches work best.

The evaluation raises the question of whether IMDi has sufficient insight into entrepreneurship and familiarity with this area of services to possess the competency required to act as a commissioning body. Another explanation could be that IMDi has not wanted to assume the role of competence coordinator in competition with NSFV, which has this role as part of its national mandate. IMDi's administration of NSFV has been characterised by commissioning of specific assignments that should help the national competence centre act as a resource for other projects and service providers. This has yielded some results in the form of joint sessions, conferences, reports and other deliveries from NSFV. However, this may also have weakened NSFV's independence and long-term position in the national efforts, since the specification of the national remit mainly takes place through the annual application and allocation processes between NSFV and IMDi. A contributory cause could be that the mandate that NSFV has developed for its national

remit is too comprehensive and general in nature to serve as a basis for prioritisation of their work.

Looking at the changes in its project portfolio over time, IMDi's management has especially diverted the focus towards the introduction programme for new immigrants as an arena for entrepreneurship training or recruitment, and concentrated on the development of new methods and digital solutions for entrepreneurship training. This switch towards the introduction programme has had a major effect on the programme provided. The desire to integrate entrepreneurship training into the introduction programme has come from below, from the municipalities that have settled an increasing number of refugees in 2016 and have wished to start projects targeting them, as well as from IMDi, which has believed this to be an appropriate and relevant priority area that ought to be continued. This has caused a change in the understanding of objectives, target groups and what should be deemed efficient resource use. In this way, some of the efforts have been diverted away from the objective of strengthening and developing the regular entrepreneurship training programmes.

The priority given to digital aids is a result of initiatives in local projects. IMDi's management in this area does not appear to be based on assessments of needs, benefits and relevance. So far, it has resulted in few major changes to local programmes. The digital training programme developed in Telemark county has been put to use with good results in a number of projects, and this is the only tool implemented to date. IMDi has used its role as administrator to distribute the Telemark solution to newly started projects, and thereby helped put a specially adapted training tool into use.