

**ENTERPRISE**

**FOR**

**BLACK AND MINORITY  
ETHNIC COMMUNITIES,  
REFUGEES AND MIGRANTS**



**March 2007**

**BOW Community Projects  
with  
RichardsonHowarth LLP and The Knap and  
Sustainable Cities Research Institute at Northumbria University**



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# **1. Introduction**

## **1.1 The Project Brief.**

This project was commissioned by One NorthEast, (ONE) the Regional Development Agency for the North East in December of 2006. The main driver behind the commission is the view that *"Black and Minority Ethnic communities, refugees and migrants (referred to as BMERM henceforth in this report) offer a huge latent pool of entrepreneurs for the North East."*<sup>1</sup> The brief goes on to state that the purpose of the commission is to;

*"(deliver) activity that helps refugees and migrants to start-up businesses. The work must be specifically tailored to overcome barriers faced by such groups. A successful project will help refugee and migrants start-up businesses and access mainstream business support by providing a tailored and accessible service."*

This project is one of a number that have been commissioned at this time to consider specialist areas of support for start-up and existing businesses, as part of the revised enterprise support approach within the Regional Economic Strategy (RES). Further key aspects of the brief were that the work in this project should build upon learned knowledge; give examples of the specific barriers faced by BMERM communities and how these might be overcome by the project; deliver informed client led activity; and provide learning on a regional basis.

## **1.2 Background**

Support for business formation in BMERM communities is viewed by One North East as important, within the overall context of that strategy.

*"The RES succinctly presents the challenge facing the North East – fewer companies, lower start up rates, and lower productivity than the national average. Addressing these issues requires both a change in attitudes toward enterprise and entrepreneurship and a targeted and tailored approach to business support services....Increasing the business base is one of the most important tasks facing One NorthEast and other stakeholders. With regard to new starts... (support for*

*ethnic minorities)... to start up in business are likely to require solutions and these will be a priority'<sup>2</sup>*

This support for ethnic minorities, and newer migrant communities such as refugees and migrants, particularly from the 'A8'<sup>3</sup> countries who have recently joined the EU, is a priority for three reasons. Firstly, there is a belief and some research evidence to suggest that people from these communities are 'intrinsically more enterprising', that they are more disposed to set up in self-employment or business, that this will help to contribute to closing the 'enterprise gap' between the north east and the rest of the country and help make it a more enterprising place. The increase in the number of people from the BMERM communities in the North East presents a challenge to the delivery of effective services to meet a diverse range of needs, but it is also perceived as an opportunity. Secondly, helping people to stay in the region and aiding them to establish enterprises is viewed as aiding economic inclusion and social cohesion, and contributing to the creation of a more diverse and dynamic society in the North East<sup>4</sup>. In a sense this could be described as the 'diversity dividend'. Thirdly, there is a view that the accessing of business advice is a vital ingredient in the establishment and sustainability of businesses, and there is evidence that people from the BMERM communities access this advice on a less frequent basis than the 'mainstream' business community. Increased engagement could lead to increased levels of enterprise activity and success in these communities.

### **1.3 Growing Diversity in the Region.**

A challenge for this project is the growing nature of this diversity of population. The northeast has changed significantly in the last 20 years in terms of its ethnic diversity, especially in some geographical locations. In the last five years the impact of refugee dispersal into the northeast, with a focus on the urban areas, has multiplied this diversity; and in the last couple of years, the numbers of people entering the area from Eastern Europe in

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<sup>1</sup> One NorthEast Project Brief Nov 2006

<sup>2</sup> Regional Economic Strategy: Leading the Way – One Northeast, 2006

<sup>3</sup> A8 countries are: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia

particular as migrant workers has impacted significantly in all areas. In absolute numbers, the impact has again been greatest in the urban areas. However, the impact of this change in other more sparsely populated areas such as rural areas and market towns has been highly significant.

The challenge is especially significant because of differences in ethnic origins, cultural background, faith, colour of skin, length of settlement, and age profile. BMERM communities are therefore not homogeneous. This presents differing opportunities and challenges in relation to the purpose of this project. That is, how best to assist these populations, and the individuals within them, in establishing enterprises which will contribute to the general wealth of the area, how best to help them establish themselves here and , and persuade them that the North East is 'a good place to do business'. The project was keen to cover as much of this diversity as was possible within the timeframe of the work with diversity being taken to mean in relation to geographical locations, differing ethnic groups, inter-generational and gender issues within the communities. The shortness of time available for the work in itself was an interesting prospect, as the communities under consideration are often described as 'difficult to reach'. We wanted to test this out.

#### **1.4 The Project Team**

The research and action learning for this project was undertaken by a range of different organisations throughout the process of work from project conception to the delivery of this project report. The main project team Group itself comprised three sets of people:

- Banks of the Wear CP Ltd (BoW) – a consultancy with a long track record of experience in working with BMERM communities, and the provision of services to them
- RichardsonHowarth LLP and The Knap – economic development consultants , with particular specialist knowledge and experience in the

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<sup>4</sup> Regional Economic Strategy: Ibid

field of enterprise development, and practice in the private, public and voluntary sectors

- The Sustainable Cities Research Institute at Northumbria University – an applied research and consultancy organisation with specific recent experience of research into the migrant labour market in the north east.

The project involved collaboration with a wide range of other partners which the main research team worked with from the outset. From the enterprise support network this included Business Link, Local Authorities (particularly Newcastle CC and Berwick upon Tweed DC), the Northumberland Strategic Partnership, particular enterprise support agencies, some input from the private sector, and ONE NorthEast itself. From the network of agencies working with the communities 'targeted' for invitation to the events, the project collaborated with the BME Network in Teesside, the Regional Refugee Forum, the North of England Refugee Service, the Bangladeshi Centre in Sunderland, and Citizen's Advice Bureau in Berwick upon Tweed. Further detail on the outputs from organising and running these events is included in Section 5 of this report.

## **1.5 The Approach**

The project was not to be a piece of academic research but to be heavily biased to practical engagement with those in the BMERM communities. It involved two main elements of data gathering - secondary desk based research looking at the background picture of these communities, their engagement in enterprise and the practice of support to help them do this; and primary action learning through a series of 'Learning Events' with those from the communities and business support sector agencies.

**'Learning Events'**. The project brief required that this project delivered client led activity. The aim of the project was to engage as widely as possible, with people from the BMERM community who were in the process of establishing themselves in, or were already running a business. In addition we also wanted to involve the enterprise support network and other agencies that were experienced in working with differing communities, specifically in relation to

giving business advice and support to them. In order to achieve this, and as a matter of pragmatism and good practice, the project was conceived from the outset on the basis that it should operate with, and within, the formal and informal networks operating in the differing BMERM communities. The centrepiece of the project were the 'learning events', with personal invitation to selected participants, on the theme of 'enterprise journeys'. These events were designed to elicit open debate on the type of advice useful to people in setting up and running businesses, how accessible and helpful it was if any was received, and reflections on what changes may be made to make business advice and other business support as useful to differing BMERM communities.<sup>5</sup>



A series of events, eight in total, were organised throughout the region, with a focus on Tyneside, but also held in Sunderland, Middlesbrough and in Berwick upon Tweed. Our aim was to engage with differing communities, at differing stages of their experience in settling in the north east, to be able to consider the differences between communities and how enterprise support

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<sup>5</sup> More information will be given on these events in section 5

services may be shaped to respond to do; and also to reflect differences within some of the communities, of an inter-generational and gender nature.

**Desk Research.** An important part of the project was to present as far as possible a picture of how those in BMERM communities are present in the North East, how they are engaged in enterprise and examples of good practice for supporting such groups. We did not want, as part of this project, to engage in a substantial amount of desk research, but wherever possible to summarise and draw on work done elsewhere. In relation to the newer migrant communities, particularly from the A8 communities, we have however built upon projections of numbers made elsewhere and sought to undertake some further qualitative work in the events designed for these groups in Newcastle and Berwick upon Tweed. This is because the numbers coming to this region have been recent and very significant, the position in terms of the make up of the community is not entirely clear, and their attitude to settling in the region and perhaps establishing businesses needs to be explored in greater detail.

## **1.6 Report Structure**

The structure for the rest of this report is as follows

- Section 2            The purpose of this review
- Section 3            BMERM Communities in the North East
- Section 4            What we know already about these communities
- Section 5            The Learning Events
- Section 6            Outcomes from the Learning Events
- Section 7            Conclusions and Recommendations

## **2. The Context and Challenges for the Project**

### **2.1 New Business Advice Service and the Regional Economic Strategy**

It is a time of change with a new structure being developed for the delivery of publicly funded enterprise support services in the North East. The new 'Business Brokerage Model' for delivery of business advice and support services is set out in the RES <sup>6</sup>, which states that it is expected that most business advice needs will be met by the private sector, and that most basic information requirements will be made available through websites. Business Link services in the region are being brought together within one organisation, Business Link NE, from April 1<sup>st</sup> of 2007. This is being formed out of four sub-regional services that existed previously.

The new service is predicated on high quality analysis and information, with signposting (reference) to the best quality advice available to business, which is expected to be available from the private sector. Within the 'Information, Diagnostic and Brokerage' (IDB) service there will be a particular focus on high volume, accessible and cost-effective services. A higher and more intensive level of service will be made available to high growth (or potential high growth) businesses, or those in specialist sectors requiring specialist support. The RES makes clear that the long-term aim of the brokerage model is to reduce the need for public intervention in business support.

The Regional Economic Strategy (RES)<sup>7</sup> sets the context for this report. Encouraging and supporting BME enterprise is consistent with several themes within the RES: enterprise, economic inclusion, and promoting diversity. Specifically, the RES includes a number of aims which relate directly:

- Creation of between 18,500 and 22,000 new businesses over the next ten years

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<sup>6</sup> RES, *ibid*, see section C in particular

<sup>7</sup> Regional Economic Strategy: Leading the Way – One Northeast, 2006

- Economic inclusion – realising the potential of all communities in the North East
- Promoting diversity in relation to ethnicity, age, gender etc
- Encouraging inward migration to help with population growth
- Targeting young people<sup>8</sup>
- Promoting high quality information and guidance to people setting up/running businesses

The new Business Link service is being instituted against a familiar landscape of relative underperformance of the economy of the North East, albeit there have been a number of encouraging recent improvements. The RES has an ambitious target within the timeframe of the strategy of moving the North East economy to a position where 90% of the national average of ‘gross value added’ is achieved by 2016. To achieve this, it is estimated that between 18,500 and 22,000 more VAT registered businesses will need to be added to the region’s stock of businesses by this time, which is a challenging target. To help achieve these increased targets, ONE wants to encourage both migration to the North East and an increase in business activity amongst the BMRERM population.

The first sentence of the RES states that its vision is to create ‘*sustainable, inclusive economic growth*’<sup>9</sup>. The strategy for achieving this is, of course, based on a series of measures of which business advice and support is but one strand. A fundamental change that the RES wants to foster is essentially developing a ‘culture shift’ in the North East, to encourage an increasingly outward, open and enterprising character for the area, an indicator of which is a propensity for people to start in business and self-employment. The region’s relatively small but growing BMERM population is viewed as a potential reservoir of talent and enterprise which can play an important role in achieving this goal. The word ‘*inclusive*’ by no means refers to this community alone in the context of the RES. However, the ability of the North East to attract and

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<sup>8</sup> BME/Refugee/Migrant communities have a younger age profile than the population as a whole

<sup>9</sup> RES, *ibid*, pg 1

retain migrant communities, and draw on the potential of those communities who have been settled in the area for some time now, is viewed as an important barometer for measuring whether it is indeed true that the region is a good place to do business. An assessment of the 'potentiality' for business formation within this community is presented later in Section 4.

## **2.2 Prioritisation of BMERM Communities.**

The RES states that there is a need to attract younger, energetic people with skills to the region. Current population projections suggest a reduction in the working age population with over 40% of the population in the North East forecast to be aged over 50 by 2013<sup>10</sup> unless efforts are made to encourage migration. Economic inclusion is seen as a primary strength in making the UK economy competitive, and although the BMERM population is relatively small in the region, its growing nature leads the RES to state that *'the region has more to gain than any other region by promoting economic inclusion.'* Both long-standing BME communities and migrants are viewed as *'important groups of entrepreneurs'*, whose contribution to business in the region is *'vital.'*

## **2.3 Are BMERM Communities Enterprising?**

There is an assumption that people from the BMERM communities who are prepared to 'make the journey' to the North East are already exhibiting a degree of risk and enterprise; for many people that risk is of a significant nature in terms of the impact upon their own lives. It does not necessarily follow that people from migrant communities will seek to establish themselves in business or self-employment. Indeed there may be every reason to expect that they would wish to gain the relative comfort of regular paid employment having risked much else to get here in the first place. However one element of the motivating force for setting up in business is 'necessity'. Access to secure employment for some BMERM groups is very difficult to achieve, and

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<sup>10</sup> Mid Year Population Forecast, ONS (2004)

pursuing self-employment or setting up a business is in some respects a rational route towards establishing some form of secure future for many people in BMERM communities. There is also a general assumption that because members of the BMERM population are more likely to be self-employed than the UK population as a whole, then they are seen as being more entrepreneurial. This doesn't necessarily follow; however, evidence does seem to suggest that people from BMERM communities have a fairly strong predilection towards enterprise and this is examined later in section 3.

Definitions of entrepreneurship tend to be in two parts. The first part is generally about some type of business/commercial activity. The second part is about taking risks. Entrepreneurs are defined, at least in part, by their willingness to take risks. However, as shown below (para 4.9), some of those in the BMEMR community set up in business because they have no choice rather than because they are risk takers. Moreover, for some, setting up in business is the least risky and safest option. This is particularly true of second and later generations of BME Communities. Parental/family expectations can play a big part in the choices made by their children. Some children may be expected to go into business, or into the family business, partly because it is a proven safe option or to sustain the family business. Children may also choose this option because they view it as safe and within their sphere of knowledge/understanding – the least risky thing to do. So, for example, to go to university and seek a professional career may not only take someone out of their “comfort zone” but could bring them into conflict with their parents. In this scenario it could be argued that choosing a professional career is a greater risk, more entrepreneurial, than setting up in business.

There is also evidence of a change in the type of businesses being established and developed by people from longer established BMERM communities. The National Employment Panel report with the Ethnic Business Forum report in 2005<sup>11</sup> estimated that 85% of new BME enterprises are established in order to take advantage of market opportunity; our experience

with younger BME business people reported later in this report bears this out, as does the diversifying nature of the business undertaking. A report for Barclays Bank in 2006<sup>12</sup> estimated that the more mature and diverse businesses established by Asian entrepreneurs were growing at three times the rate of the UK economy. The report singled out the ability of Asian entrepreneurs “to adapt to new business opportunities”. In analysing the wealth of 200 richest Asians between 1998 and 2005, the report estimated that

*“..real Asian wealth increased by 69% compared to the overall UK GDP growth figure of 22.8%, with a noticeable shift by business owners towards higher value industrial sectors such as pharmaceuticals, IT and media.”*

The author of the report notes that “Asian wealth is now built on a much broader base” and that this is “challenging traditional stereotypes.” Evidence from a study in the North West supports this. BME businesses in the region were found to have above average levels of profitability, with their performance outstripping white British entrepreneurs.<sup>13</sup>

One reason for this is likely to relate to the capabilities and skills of people establishing businesses. A study by Barclay’s Bank showed that BME business owners are younger and better qualified than white business owners, with 44% of BME owners qualified to NVQ Level 4 or higher, compared with 23% for the latter.<sup>14</sup> It is worth noting that although the position is varied, people from refugee (and asylum seeking) communities tend to have attained higher skill levels and educational qualifications than the indigenous population.<sup>15</sup> There is evidence also that recent A8 migrants tend to be working in occupations below their capabilities and skills.

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<sup>11</sup> NEP (2005) *Enterprising People Enterprising Places*, National Employment Panel the Ethnic Minority Business Forum, May 2005

<sup>12</sup> Dhaliwal,S (2006) *Asian Entrepreneurs in the UK* for Barclays Business Banking

<sup>13</sup> Bichard, E. (2005) *Wealth Bringers Sustainability Northwest*

<sup>14</sup> Barclay’s Review (2000) *Minority Ethnic Businesses - an emerging economic force – Barclay’s Bank*

<sup>15</sup> Banks of the Wear (2004) *Learning and Skills Needs of Refugees and Asylum Seekers*, for Tyne & wear LSC

## **2.4 BMERM Communities are not a Homogeneous Group.**

The length of stay of different communities is a significant factor. Settled communities are more likely to have support networks and are less likely to have to deal with other urgent matters such as access to permanent housing and the right to stay. Not only are there differences between Refugees, Migrants and the BME Community, there are significant differences within these groupings. Migrants tend to have different types/level of ability/financial circumstances and motivation – this is to some extent determined by their country of origin. Legal status, age and gender are also important factors.

There are also differences within ethnic groups. For example, the Bangladeshi communities that settled in Inner West Newcastle and Sunderland from the early 1980's were predominantly from rural parts the Syhlet region of Bengal. They were generally much poorer than some of the more established Bangladeshi community in the North East. It is a very young population, over 50% aged between 16 and 30.<sup>16</sup> Age and income levels are known factors in determining levels of entrepreneurial activity.

A recent study for the Equal Opportunities Commission of ethnic minority women found a huge variation in working age economic activity rates between ethnic groups and within ethnic groups, depending upon place of residence. For example, the economic activity rate for Black Caribbean women is 73% compared to 30% for Pakistani women. This conceals considerable variations by local authority district. For example, the highest district economic activity rate for Pakistani women is 60.1%, compared to 21.7% for the district with the lowest rate.<sup>17</sup>

As will be shown, there are also significant differences between ethnic groups in terms of entrepreneurial characteristics. Variations between groups include:

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<sup>16</sup> Bangladeshi Today – Sunderland Web Site 2007

<sup>17</sup> Moving on Up: Ethnic Minority Women and Work – Equal Opportunities Commission, 2007

- Entrepreneurial attitude
- Intention to start a business
- Location - including proportion of businesses in deprived wards
- Turnover
- Type of ownership

There is evidence that ethnic minorities in the region are becoming an increasingly diverse group. Recent National Insurance Number allocations (2005-06) indicate that foreign workers from approximately 70 countries are now resident in the region which compares to a 2002/03 figure of 56 (a 25% increase).

Despite variations, there are two key characteristics of the North East's non-“White British” population which have implications for future enterprise development: this section of the population is growing rapidly and it has a higher proportion of people of working age than the population as a whole.

## **2.5 The Challenge of Diversity of BMERM Communities in the North East for Business Support Services.**

The prioritisation of BMERM communities as requiring a specialised approach in terms of enterprise support requires a note of caution. The situation is complex since BMERM communities are not homogeneous. The economic position of many communities reflects their starting position and the resources they have in terms of skills and capital of various kinds. Inevitably, this reflection has also been apparent in the types of businesses established, including where these businesses are located. For example many retail and food businesses established by the Asian community have tended to be set up in more disadvantaged areas, which in itself is a challenge as there are less local financial resources in the local population for the businesses to draw upon. The younger generations of these communities tend to have higher skills and different aspirations to their elders. For example a recent EOC report on aspirations among younger BME women refer to an emerging understanding of the views and aspirations of younger people within different

BME communities, compared with their White British contemporaries, and how these manifest themselves differently at the intersection of race, class, age and gender<sup>18</sup>. The report found that differences in culture, gender, ethnicity, social circumstances, and economic status affect aspirations. This supports the view that BME Communities are not a homogeneous group. However, the report identified were two common themes: young women from BME communities tend to have higher aspirations in terms of job level than their white counterparts and expectations of parents are significant factors in the career decisions made by young BME women.

The business support needs of recent migrants are also different, in some significant aspects, to those of second or third generation BME communities established on Tyneside and Teesside. Within recent migrant communities there are radical differences in terms of places of origin, culture and language skills; and refugees are a diverse range of communities from many parts of the world for whom the experience of being a refugee adds a further daunting challenge to settling within the North East. Support to more recent refugee and migrant communities is bound up with a range of complex advice needs that are challenging to those whose job it is to provide business advice. These needs cover a range of issues, including immigration advice, language (where English is not a first language), help with finding accommodation, health care, together with different experiences of business culture in their countries of origin. More recently established communities, unlike the more established Asian communities, do not have the experience of an older generation readily available to them. In many cases the particular community of refugees from any given country is small in numbers and even within these small groups they are culturally and ethnically diverse. Yet, sometimes within these very small groups, there is 'enterprise resource' available of people who are experienced in business, and have begun to pursue business opportunities on settling in the region. The regionally based Regional Refugee Forum has identified these 'enterprise resource persons' as a source of trusted advice. It is also a model of support that has worked with the national organisation

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<sup>18</sup> Bhavnani, R with PTI, (2006), *Ahead of the game: the changing aspirations of young ethnic*

Refugees into Business ('rib') to train specific individuals from differing Refugee Community Organisations who can act as an initial source and link to other forms of specialist advice.

The new model for the delivery of business advice services is a generic one, and the diversity of BMERM and their enterprise support needs challenges this. One NorthEast has recognised that these BMERM groups together with others, will require a 'tailored' approach. While the new strategic action plan *"proposes one 'joined up' model of business support it will not expect one size to fit all. Indeed best practice indicates that this is not desirable."*<sup>19</sup>

## **2.6 Use of Business Advice and Support Services.**

Most of the evidence available suggests that BMERM businesses are less aware of the formal support network of business advice than the white population (see Business Link and Companies house report 2004 for example<sup>20</sup>). Recognition of Business Link was reported to be very low in this report; although Business Link in the North East region has had relatively good success compared with other regions in engaging with BME communities. The RES states that businesses that seek advice have a better survival rate than those that don't, and this is why it aims to encourage businesses to take up quality business advice. It is worth noting that the assumption should not be made that BMERM communities are not seeking advice. As noted above they draw upon the considerable resource within their own community of both individuals and informal networks. As stated in a recent report by Sunderland University (2007 – in draft)<sup>21</sup>

*"Informal business support is provided within BME communities through family and friends and this source of support was the dominant one.... In addition to family and friends we encountered informal support networking*

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minority women - EOC

<sup>19</sup> One NorthEast (2006) Strategic Action Plan draft

<sup>20</sup> Business Link and Companies House (2004) *Survey of Awareness and Understanding* SBS

<sup>21</sup> Sunderland University (2007, in draft) *Sunderland's Black and Minority Ethnic (BME) businesses and their development*, for Sunderland City Council

*taking place in a variety of settings .... People seek the support they need through their family and community ties.”*

BMERM businesses are not rejecting business advice; they are generally getting it from sources that are available familiar to and trusted by them. However it is noted in the Sunderland report that seeking advice from within the community may be a limiting factor, where although there is a lot of experience to draw upon from older generations, this experience may be limited to relatively narrow sectors such as food and retail business. The reasons for relatively low accessing of formal advice seems to be related to lack of awareness of its existence, and a belief such advice as may be available will lack sufficient quality and/or will be time-consuming and bureaucratic.

Publicly funded business advice does not come from a single source, and is unlikely to do so in the future. Many local authorities run economic development services that often include an element of advice, while there have been a plethora of organisations that supply both ‘generalist’ business advice, and ‘tailored’ advice targeted to particular groups. New Deal projects in the region have the delivery of business advice to particular communities as part of their remit. There are a number of enterprise agencies in Newcastle that supply a specialist service to refugees; there have been particular projects undertaken by different agencies (often but not always enterprise support agencies) that have targeted specific communities to develop enterprise support services. The new ‘brokerage’ system and its IDB model aims to bring a rational, single, distinctive and efficient point of contact for business, but it is recognised that in various stages of business development, differing levels of support will be needed by differing people from differing communities. The challenge will be to devise a business advice system which is flexible enough to cope with the range of communities in the North East in both urban and rural location, which is sensitive to cultural and ethnic distinctiveness, and at the same time is cost effective. In both urban and rural locations this will require collaboration with a range of other agencies and organisations that work with and represent BMERM communities. Although

dubbed 'hard to reach' (or 'rarely heard') there is a lot of information available relating to BMERM communities, and effective working networks at both formal and informal levels that could be brought into play to build a more effective business advice service to them. It is acknowledged that much less is known about recent migrants, including what their intentions are about settling in the region, and what may help them to make a positive decision to stay. However, even in this case, as we shall discuss later in this report, informal networks exist which public and private agencies should be able to utilise to communicate effectively with these communities.

## **2.7 Barriers to BMERM Business Creation.**

The ONE brief for this project requested that “*specific details on barriers to (BMERM) business creation with regard to business creation*” be considered, and recommendations on how these may be overcome be made. The question raised is what barriers there are that are specific to these communities, and what needs to be done to overcome them. It should be noted that this operates within a context of a range of other issues faced by BMERM communities are far broader, ranging across a series of issues that requires an equally wide-ranging response from political leaders, statutory organisations, institutions and voluntary bodies. For example, the continuing experience of racism encountered by many communities in the region (and reported widely see for example Sunderland University draft report<sup>22</sup>). is a strong disincentive to settling in the area and developing businesses.

Barriers to BMERM business creation in the UK have been researched extensively and reported widely. More local research in the region has also been undertaken. This Project has taken cognisance of the key findings from this work, and these are investigated in the action research in this project. In addition to those mentioned above, these include;

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<sup>22</sup> Sunderland University, *ibid*

- A lack of awareness of the existence of business support, accompanied by a belief (where there is awareness) that the advice is enwrapped in bureaucracy
- A lack of trust in the service
- A belief that quality advice will not be obtainable from the service
- A view that advisors do not understand the culture of the person seeking the advice
- Language
- racism
- Unfamiliarity with business culture in the UK
- The enterprise support service is fractured and confusing
- That access to finance is problematic

Some barriers are perhaps perceptual rather than actual. For example, Barclays Bank (2000) in the report cited earlier in this report found that BME business owners were more likely than white owners to obtain finance from banks, with 38% compared to 28% doing so. Despite this 12% of BME business owners regarded finance as a barrier as against 2% of white business owners. Different communities have different perspectives. It is also the case that some barriers are common to all businesses. Having looked at the context and challenges of BMERM communities and enterprise in this section, this report now goes on to look at the position and enterprise experience of BMERM communities in the North East in more detail.

### **3. Profile of BME/Migrants/Refugee in the North East and their Engagement with Enterprise**

This section aims to paint a picture of the current situation of BMERM communities in the north east, their position regarding business ownership, attitudes towards entrepreneurship and their experience of accessing and using support

#### **3.1. Introduction**

A recent National Employment Panel (NEP) report<sup>23</sup> stated “...one of the most challenging aspects of our research on BME businesses has been the lack of existing data needed to define the size and attributes of the sector” (51). North East BMERM communities are too small to make robust comments about current levels of self-employment or levels of business activity.

The situation changes so quickly that the 2001 Census data is of limited value unless it is used in conjunction with more recent data. The most recent population estimates (mid-2004) showed an increase of 37% in the region’s non-“White British” population since the 2001 Census. Data on entrepreneurship is limited, focuses on the BME rather than the non-“White British” population, and in some cases is survey information or projections for which allowance needs to be made for sampling error. Two main sources of survey data are the Small Business Survey<sup>24</sup> and the GEM (Global Entrepreneurship Monitor) survey<sup>25</sup>. Some data is not available at a regional level or when it is, is not broken down by ethnicity. The interpretation of data therefore needs to be viewed as a best estimate at this time.

Despite this lack of profile data, there have been numerous studies conducted into the position characteristics and issues surrounding BME/Migrant/Refugee enterprise in the UK and to a lesser extent the region. These secondary

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<sup>23</sup> NEP (2005) *Enterprising People Enterprising Places*, National Employment Panel the Ethnic Minority Business Forum, May 2005.

<sup>24</sup> Ethnic Minority Business In England - Small Business Service, 2003

<sup>25</sup> Global Entrepreneurship Monitor: United Kingdom – London Business School, 2005

sources form a useful backcloth to both inform and compare with the results generated by the primary qualitative research conducted for this report.

### 3.2 Profile of BMERM Communities in the North East

Since there is no collective population data which groups together BME, Refugee and Migrant communities, this profile draws upon a range of source material and uses definitions and categories which may not exactly match the subjects of this report. For the sake of clarity, these definitions are used within this report:

- *Non-“White British”*. This refers to all those population categories other than White British. Within this category will be all the groups which are the subject of this report: BME, International Migrants, and Refugees. However, this group also includes other white people whose origins are not British e.g. Irish
- *Black and Ethnic Minority (BME)*. This is generic ethnic origin Census category used to cover South Asians, Chinese, Black African, Black Caribbean, and Mixed. Members of BME communities may have been born in the UK or come from other countries.
- *Migrants*. A migrant is someone who comes to live in a place, or moves to another place both within countries and between countries. For the purposes of this report, the term specifically refers to international migrants who have moved into the UK from abroad. It includes all EU citizens (except British and Irish) and members of the BME community who have moved to the UK from another country.
- *A8 Migrants*. These are a sub-category of international migrants whose countries joined the European Union in May 2004. The countries are: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia. *A2 Migrants* come from two countries which joined the EU in January 2007: Romania and Bulgaria
- *Refugees* are former asylum seekers from abroad who have been granted leave to stay in the UK for humanitarian reasons. They are not an ethnic group.

### 3.2.1 Non-“White British”

Non-“White British” refers to all those population categories other than white British. Although the majority are BME, this group also includes white people whose origin is not Britain. This group therefore includes the BME population, migrants and refugees. The largest non-British white group are EU nationals. The North East has the smallest non-“White British” <sup>26</sup> population in the country. However it is growing rapidly. In 2004 there was an estimated non-“White British” population of 129,000 compared to 94,000 in 2001 <sup>27</sup>. Table 1 illustrates the annual growth for the main ethnic groups in the North East.

Table 1: Average annual growth rates for the main North East non-“White British” groups 2001-2004

	White Other %	Asian			Other %	Chinese Chinese %
		Indian %	Pakistani %	Bangladeshi %		
<b>North East</b>	9.5	11.4	5.6	5.9	20.2	14.5
<b>County Durham</b>	9.8	18.6	32.6	14.5	7.7	20.5
<b>Northumber land</b>	8.7	12.6	35.7	10.1	26	14.5
<b>Tees Valley</b>	7.7	8.6	3.7	–	–	8.4
<b>Tyne and Wear</b>	9.7	11.2	5.4	4.8	22.6	15.4

Perhaps the most striking growth rates are amongst Asian groups in Northumberland and Durham – although the numbers are still relatively low. More recent data such as EU Workers Registration records and the allocation of National Insurance numbers to people born overseas supports the view that not only is this growth continuing, but that the rate of growth is also on the increase. The most significant factor behind this rate of growth is inward international migration.

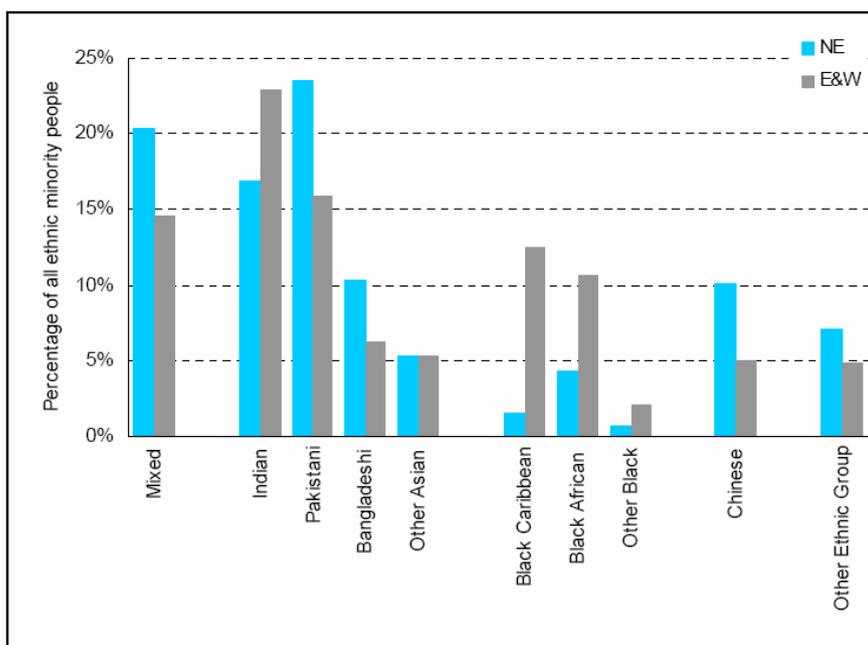
<sup>26</sup> Non “White British” includes white non-British as well as BME

<sup>27</sup> Mid Year Population Estimates 2004 – Experimental Statistics – ONS, 2006

### 3.2.2 Black & Ethnic Minority

Of the 129,000 non-“White British” population in the North East, around 90,000 are from BME communities, about half of which are of Indian/Pakistani/Bangladeshi origin. Though some of these are international migrants, a substantial majority were born in the UK or have been settled for a considerable period.

Table 2: Percentage of Ethnic Minority Groups in the North East



2001 Census

The BME population makes up about 3.5% of the total population in the North East although some 4% of the working age population. More significantly, 70% of the BME population is of working age compared to around 60% of the White British population:

Mixed	9,200
Asian and Asian British	30,900
Black and Black British	8,700
Chinese & other BME	13,600
<b>Total</b>	<b>62,400</b>

The BME population is projected to continue to grow, not just as a result of children born here, but also because of international migration – India is likely to be the largest single group of migrants outside the EU.

### 3.2.3 Migrants (inward international)

The period from 2001 to 2004 showed a net growth in the region's population after a period of steady decline. A small decline in the White British population was more than offset by an increase in the non-“White British” population. Much of this increase was due to inward international migration. The North East has the highest annual percentage growth in inward international migration in England. It has two areas in England's top ten for year on year percentage growth in the size of the non-“White British” population. These are not the traditional urban areas of settlement but rather the smaller towns such as Alnwick and Berwick. Each of these has around a 20%<sup>28</sup> increase per annum, although it should be noted that they are starting from a low absolute numbers base. They also appear in the ten districts with the lowest proportions of non-“White British” population in the country. It is worth noting that nine out ten of the districts with the lowest non “White British” in the UK are located in Northumberland and Durham. Rapid growth of the non-“White British” population in these areas is likely to have a noticeable impact upon the local economy and community. Whereas earlier international inward migration was predominantly from the Indian sub-continent, an increasing proportion now comes from the A8 countries, notably Poland. Population projections suggest that the North East population will continue to grow steadily, with the non-“White British” proportion growing at a faster rate than the population as a whole.

Accurate statistics on migration from the European Union are especially difficult to obtain. Migrants from the older members of the European Union can live and work in the North East without any form of registration. Migrants from the A8 countries are required to register for work. However, they are

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<sup>28</sup> 2004 Mid-Year estimates - ONS 2006

only required to do this within their first year of settlement and self-employed people are not required to register. Moreover, it is generally accepted that many either choose not to register or are unaware of the requirement. However, the registration scheme does give some indication of scale and country of origin.<sup>29</sup> Between May 2004 and September 2006, just under 5,000 A8 migrants registered for work in the North East although this is likely to be an underestimate of the numbers. Of those A8 workers registered to the scheme, Poles make-up 66 per cent, which is slightly higher than the national 63 per cent. Of the A8 workers as a whole in the region, approaching 74 per cent are in the 18-34 age group, which is slightly less than the national figure of 82 per cent; with approximately 36 per cent female, again less than the national figure of 42 per cent. National Insurance Number (NiNo) Allocations<sup>30</sup> probably give a slightly more accurate picture since they include self-employed people. 3720 numbers were issued to migrants from A8 countries in 2005/6 compared to 2570 from all Asian groups. In 2005/6 the Poles became the largest single group in the region to be allocated National Insurance numbers (2,590 – 23.3%). The second largest single group were from India (1240). The areas with the highest numbers of A8 allocations are Tyneside (especially Newcastle) and Teesside but there were also significant numbers in Berwick/Alnwick and Derwentside. The rate of regional growth is striking – the proportion of new UK National Insurance numbers allocated to overseas nationals has doubled in the North East in the two years to 2005/6. Table 4 below shows the rate of growth in the North East compared to other parts of the UK.

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<sup>29</sup> Workers Registration Scheme (May 2004 to September 2006). Regional data here has been obtained through freedom of information because the 'North East' in the national Accession Reports includes Yorkshire and Humber.

<sup>30</sup> 2005/6 NINO Allocations to Overseas Nationals - ONS/DWP 2006

**Table 4**

**Overseas Nationals entering the UK and allocated a NiNo,  
by Year of Registration and Region of Residence**

	<i>Thousands</i>			
	2002/03	2003/04	2004/05	2005/06
<b>All</b>	<b>349.2</b>	<b>370.7</b>	<b>439.7</b>	<b>662.4</b>
North East	5.4	5.8	7.3	11.1
North West	21.8	23.5	30.7	48.9
Yorkshire and the Humber	17.9	18.5	20.2	36.6
East Midlands	13.4	16.5	23.5	38.5
West Midlands	23.4	23.2	28.1	41.7
East of England	26.2	25.8	34.1	52.8
London	148.0	153.2	167.2	235.6
South East	37.5	42.5	50.7	79.9
South West	15.4	15.5	22.6	33.7
Wales	5.4	6.8	9.9	16.4
Scotland	14.5	15.5	22.9	41.4
Northern Ireland	2.5	4.3	5.5	16.3
Unknown	17.8	19.8	17.1	9.4

*Source: 100% extract from National Insurance Recording System at 17<sup>th</sup> June 2006.  
Figures are rounded to the nearest hundred and may not sum due to rounding.*

So how many recent A8 migrants are there in the North East? Short answer: we don't know. Long answer...informal intelligence analysed by a Tyneside local authority provided by recruitment agencies and service providers suggests there are around 6,000 living across Tyneside. This compares with just under 2,200 who have registered for work. If the informal evidence is correct, and if the Tyneside intelligence is taken as typical of the region as a whole, then the A8 population could be two or three times greater than the number of those registered for work. Taken with the NiNo rates it is probably reasonable to assume that A8 numbers in the region now runs into five figures, even allowing for some outward migration. However this is really no more than an informed guess and cannot be regarded as reliable for planning purposes. A particular unknown is how long recent A8 migrants will stay in the region and whether family members will join them. A recent NERIP Report<sup>31</sup> concluded *"There are increasing numbers of international migrants coming to the region – 7440 in 2004/5. However, there is further work that needs to be*

<sup>31</sup> Demographic Change – R. Hulbert, NERIP, 2006

*done to determine the characteristics and intentions of international migrants coming to the region.”*

The Accession Monitoring Report published by the Home Office<sup>32</sup> shows that migrants from A8 countries are generally young, healthy, in full time work, have few dependants, and an increasing proportion are settling outside of London. Key findings from the report:

- *Nationals from the Accession 8 (A8) countries continue to come to the UK to work, contributing to the success of the UK economy, whilst making few demands of our welfare system.*
- *In total there were 447,000 applicants to the Worker Registration Scheme (WRS) between 1 May 2004 and 30 June 2006.*
- *97% of workers were working full time, and 98% of applications for National Insurance numbers made by Accession country nationals between May 2004 and June 2006 were for employment purposes.*
- *The vast majority of workers are young. 82% of workers were aged between 18 and 34. 93% of registered workers state they have no dependants living with them in the UK when they registered, and only 3% had dependants under the age of 17 with them.*
- *The numbers applying for tax-funded income-related benefits and housing support remain low.*
- *Accession workers are continuing to go where the work is, helping to fill the gaps in our labour market*
- *14% of the total registered workers were based in London. However, the proportion applying to London fell from 25% in Q2 2004 to 9% in Q2 2006 as the proportion applying elsewhere has increased.*

Local research conducted in Northumberland generally reflects the national picture. It concluded that recent international migrants coming to the region “are mainly aged between 20 and early 30’s. The majority appear to be single without children, it is unclear what qualifications they have, but anecdotally a number have professional or higher level qualifications and may be over qualified for the work they do.”<sup>33</sup>

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<sup>32</sup> Accession Monitoring Report May 2004-Nov 2006 – Home Office, Nov 2006

<sup>33</sup> International Migrant Workers in Northumberland – E.Bates, Northumberland Infonet, 2006

### 3.2.3 Refugees

Since refugees/asylum seekers are not an ethnic group as such, there is no specific information on refugees within the population data. An asylum seeker is someone who has applied for asylum. A refugee is someone who has been granted asylum. Predicting the number of refugees living in the region is notoriously difficult. Once someone has been granted asylum, it is not possible to track their movements. Estimates of the numbers of asylum seekers/refugees living in the Northeast vary enormously from 6,000 to 15,000. Whilst the numbers seeking asylum in the UK is on the decline, the numbers in the North East have been increasing because of the national policy of dispersal from the South East. Estimates of asylum housing requirements, provided by the National Asylum Support Service, suggests that the number of asylum seekers in the Northeast is likely to level out although unpredictable political events in other parts of the world may impact. At the end of September 2006, there were 3,704<sup>34</sup> asylum seekers living in the North East. The majority of these live in Newcastle and Teesside. Around one in five asylum seekers are granted asylum or exceptional leave to stay at the initial decision stage. Of those who appeal, around one in five are successful.

The ethnic profile of asylum seekers is very different from migrants and the settled BME population. The largest groups are Iranian (10.8%), Eritrean (7.6%), and Iraqi (7.37%). In terms of enterprise potential, any ambition by asylum seekers is put on hold since they are not allowed to work or run a business. Only if and when they become refugees can they set up in business or become self-employed, although asylum seekers can engage in voluntary work which may prepare them for the world of work in the UK. Refugees allocated a National Insurance number will be included in the NiNo statistics summarised in Table 4 above.

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<sup>34</sup> Third Quarter Asylum Statistics – National Asylum Support Service , 2006

## 4. The Picture of BMERM Enterprise in the North East

This section looks at the state of BMERM enterprise in the North East. In particular it considers:

- Potential for Enterprise
- Motivation
- Indicators of entrepreneurial activity
- Characteristics of BMERM business
- Use of support services

### 4.1 Introduction

Mapping the scale nature of business activity/self employment by ethnic group is problematic. 2001 Census data is now somewhat dated but it does give a level of detail and robustness not found in other data. Table 5 below demonstrates that rates for self-employment are much higher amongst the BME population than their White British counterparts. This illustrates a clear message from the evidence available: BME communities are much more likely to be self-employed/setting up in business than the White British population.

**Table 5: Economically active who were self employed**

Area	White		Asian				Chinese %
	British %	Other %	Indian %	Pakistani %	Bangladeshi %	Other %	
<b>North East</b>	9	15	38	37	25	31	39
<b>County Durham</b>	10	14	47	35	23	31	45
<b>Northumberland</b>	13	22	47	55	35	61	40
<b>Tees Valley</b>	8	13	25	34	27	30	40
<b>Tyne and Wear</b>	8	14	41	40	25	29	38

*Note: % rates in Northumberland and Durham are quite high. However, the numbers involved are relatively small. In some districts the actual numbers per group are less than 10.*

Source – 2001 Census

In terms of more recent data, there are two Regional Economic Performance PSA (Public Service Agreement) indicators which the Government uses to measure enterprise<sup>35</sup>. The most commonly used indicator is the number of businesses which register for VAT. However, there is also a second indicator, TEA (Total Entrepreneurial Activity). GEM defines the term “entrepreneurial activity” (TEA) very specifically. GEM uses TEA to identify the proportion of adults of working age (18-64) who are setting up or are running a new business. The 2005 rate for the UK is 6%. The North East has the lowest rate in the UK: 3.8% and the gap is widening<sup>36</sup>. The GEM survey also asks respondents if they intend to start a business within the next 3 years.

## 4.2 Potential for Enterprise

Although around 3.5% of the North East’s population belong to BME communities, they account for 4% of the working age population (16-59/64). In numbers this equates to 62,400. The majority of these are of Indian/Pakistan origin.<sup>37</sup> The 2005 GEM survey suggests that TEA rates amongst the Indian/Pakistan population are around twice the level of the white population. Potentially therefore, the North East BME community could account for around 8% of entrepreneurial activity even though they only make up 3.5% of the population. This equates to around 5,000 businesses. These estimates should be treated with caution since the TEA data by ethnicity is national and is not yet available separately for the North East<sup>38</sup> and it indicates potential rather than actual. However, the data does suggest that the potential for new business start up by the BME community is much greater than by their white counterparts.

There is no GEM data available for EU migrants. However, the 2006 GEM survey<sup>39</sup> which has just been published as this report was being prepared, did

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<sup>35</sup> Regional Economic Performance PSA Indicators: PSA E1 & PSA E2 - DTI/HM Treasury/Department of Communities (2004)

<sup>36</sup> The 2006 GEM survey, just published as this report was being written, suggests that the gap is now starting to narrow.

<sup>37</sup> Source: Resident Population Estimates by broad ethnic group and age – ONS, 2004

<sup>38</sup> Regional booster survey of 5,000 recently undertaken by GEM has not yet been published. The national survey included 1,000 respondents from the North East

<sup>39</sup> Global Entrepreneurship Monitor: United Kingdom – London Business School, 2006

include a TEA rate for non-British/Irish Whites (7.4%). This is clearly a much broader group than A8 migrants and other indicators such as age profile suggest that A8 migrants are more likely to be entrepreneurs than non-British/Irish Whites. The latest population estimates for mid-2004<sup>40</sup> suggest there are 22,100 non-British/Irish whites of working age in the region. This estimate was made prior to much of the recent A8 migration. Even allowing for other likely population changes such as outward migration, it is probably reasonable to assume that the non-“British/Irish white” population may now stand at around 30,000. This is not an official estimate, it represents a best guess. If the TEA rate of 7.4% was applied to a population estimate of 30,000, this would equate to a potential of over 1,600 businesses in addition to the 5,000 BME potential businesses. This is likely to be an underestimate since the TEA rate for the region’s A8 migrants is likely to be much higher than 7.4% because of their age profile and skill level.

As they are not an ethnic group, there is no GEM data available for refugees. However, the 2006 GEM TEA rates for all groups born overseas is 7.3%, significantly higher than for the white British population. Since there is no accurate estimate of the number of refugees in the region and they will be included in ethnic groupings for the purposes of population estimates, no attempt is made to quantify the number of potential businesses. Qualitative research undertaken in the region concluded that *“most refugees are resourceful and enterprising people...who bring with them the skills, experience and determination to be successful business people and to employ others”*.<sup>41</sup>

Actual outcomes suggest that this potential is not realised. Ethnic minority businesses account for around 10% of UK businesses, roughly in proportion to the size of the ethnic minority population. This could be because some BME entrepreneurial activity is not measured (e.g. large number of businesses not registered for VAT). However, this probably does not account for the variation and there is likely to be a real opportunity to turn potential into positive outcomes, given the right circumstances and support

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<sup>40</sup> ONS , 2006

### 4.3 TEA Rates in the North East

Male TEA for the UK is 8.5% which is over double the female rate of 3.9%. In the North East the rates are 5% for men and 2.7% for women. In the UK almost twice as many men as women intend to start a business within the next three years. The noticeable exception to this are black African women who are rated to have significantly higher TEA rates and hence seen to be significantly more entrepreneurial than men (all) and any other female ethnic group. This is unlikely to have a noticeable impact in the North East since Black Africans (both men and women) make up 0.1% of the population in the region.

In the UK there are more people between the ages of 18-24 thinking of setting up a business over the next three years than any other age group. TEA rates are highest amongst males aged 25 to 44, closely followed by the 18-24 male age group. A high proportion of recent A8 migrants to the region fall into these categories. Education and income levels are also factors. Graduates and those with higher income levels have significantly higher levels of entrepreneurial activity. Enterprise related training also increases TEA rates.

The GEM survey suggests that black and ethnic minorities are more entrepreneurial than their white counterparts and that they are more likely to set up a business out of necessity rather than out of choice. The 2005 TEA rate for the UK is 6%. UK TEA Rates for non-white ethnic minorities are 9.3%. TEA rates amongst those of Indian (11.9%) and Pakistani (12%) origin are twice as high as for white communities (5.6%).

When asked about intentions to start a business within the next three years, the differences between sections of the BME community are particularly marked.

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<sup>41</sup> Seizing the Opportunities & Overcoming Barriers for Refugees Wanting to set up Their Own Businesses in the North East – Philip Angier et al, 2004

**Table 6 - % in UK who expect to start a business in the next three years by ethnic group**

UK - % who expect to start a business within the next three years									
White	Mixed	Indian	Pakistani	Bangladeshi	Chinese	Other Asian	Black Caribbean	Black African	Other Black
7.4	20.6	15.8	21.8	25.4	18.6	25.3	17.7	36.1	18

*GEM – 2005 UK Report*

Despite variations between ethnic groups, Table 6 suggests a very high level of intent amongst BME Communities to set up in business, much greater than the population as a whole. However, this level of intent is not reflected in the number of actual business start-ups which are recorded. TEA rates are lower – although they are lower for the white population as well as the BME population.

#### **4.4 Motivation to Start a Business**

People are motivated to start businesses for a variety of reasons:

- ❑ To make money
- ❑ To realise an ambition or idea
- ❑ To try out something new/different/exciting/risky
- ❑ To take advantage of an opportunity – a gap in the market
- ❑ Because that is the family tradition and the safest thing to do
- ❑ Unable to get a job
- ❑ Unable to get a job which makes use of skills and qualifications

GEM divides entrepreneurship into two categories: necessity and opportunity. Necessity is where entrepreneurship is pursued because there is no other choice, usually because appropriate employment opportunities do not exist or are denied. Opportunity is where entrepreneurship is pursued as a positive choice. Necessity entrepreneurship in the UK fell by half between 2001 and 2005 to 0.7%. Opportunity entrepreneurship increased marginally to 5.2%. However, at 1.2%, necessity entrepreneurship for males in the North East is the fourth highest out of the twelve regions of the UK. This is 40% of the level

for opportunity entrepreneurship – the highest proportion in the UK. In contrast, female necessity entrepreneurship in the North East is just 8% of female opportunity entrepreneurship.

It does appear that BME businesses are more likely to be started out of necessity than is the case for all businesses. The SBS survey found that 6.5% of BME businesses cited difficulties in finding the right job as a motivation compared to 1.9% for non-BME businesses. If local anecdotal research is correct, that many A8 migrants are over qualified for the jobs are doing, then some may choose self-employment/business start-up as a way of making best use of their skills and generating a higher level of personal income.<sup>42</sup> Migrants from A2 countries, Bulgaria and Romania, are subject to a system of work permits and quotas which restricts access to the UK employment market. However, migrants from A2 countries who are self-employed will be able to work in the UK without a permit. It may be that a higher proportion of A2 migrants will undertake enterprise out of necessity compared to A8 migrants

#### **4.5 VAT Registration as a Measure of Enterprise**

VAT registration is used by ONE North East as the main indicator for measuring enterprise. The North East has the lowest rate of VAT registered businesses in the UK. There were 22 North East registrations per 10,000 adult (16+) population in 2005 compared to 37 in the UK. There has been some recent improvement. When de-registrations are taken into account, there was a net increase in the North East in 2005. However, the North East still sits at the bottom of the national league table with 225 businesses in existence (stock rate) per 10,000 adults compared to 381 for the UK at the start of 2006.<sup>43</sup>

It is estimated that around 44% of UK businesses are registered for VAT. According to the 2003 Small Business survey of ethnic minority businesses<sup>44</sup>, BME-led businesses with employees are much more likely to be micros<sup>45</sup> than

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<sup>42</sup> E.Bates, *ibid*

<sup>43</sup> Small Business Service, Quarterly VAT Registrations Report (November 2006)

<sup>44</sup> Ethnic Minority Business In England 2003 - Small Business Service (2006)

<sup>45</sup> A micro business has 1 to 9 employees

non-EM businesses. 39% of BME businesses with employees are micros compared to 24% of non-BME businesses. Turnover is generally lower in BME businesses than non-BME businesses. This may reflect the younger ages of BME businesses. 36% of all sole BME traders had a turnover of less than £56k (the VAT threshold at the time). 11.7% of BME businesses with employees have a turnover of less than 56K compared to 6.9% of non-BME businesses. Whilst this is national survey data and not definitive, it does suggest that a higher proportion of BME businesses are not registered for VAT compared to non-BME businesses.

Two other interesting points regarding size of businesses emerged from the SBS survey. BME businesses are more likely to be employers (43.2%) compared to non-BME businesses (29.2%). The survey also confirmed that EM businesses should not be viewed as a homogeneous group. A quarter (25.9%) of Indian led businesses have a turnover of £250k or more compared to 11.5% of Pakistani-led businesses.

#### **4.6 Other BMERM Business Characteristics**

The BME community is mixed in terms of income and educational achievement and cannot be categorised as universally “deprived”. However, the SBS survey found that BME businesses (40%) are more likely to be located in the most deprived wards<sup>46</sup> compared to non-BME businesses (24%). Pakistani businesses are most likely to be situated in these wards (55.8%) and Chinese businesses the least (31.4%). One in ten BME businesses are in rural areas compared to four in ten of non-BME businesses. A high proportion of the region’s BME community is located in Middlesbrough (mainly Pakistani) and Newcastle (mixed) so it should not be surprising to find that a significant proportion of BME businesses are located in these areas.

The picture for recent migrants is more mixed. Whilst there is a significant Polish migrant community in Newcastle, there is also a fast growing community in Northumberland. It may be that a higher proportion of migrant-led businesses will develop in rural areas compared to BME-led businesses.

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<sup>46</sup> Ethnic Minority Business In England 2003 - Small Business Service (2006)

However, at this stage cannot be certain of this and the absolute numbers are still likely to be relatively low in the immediate future.

Of businesses with employees, 9 out of 10<sup>47</sup> BME businesses are in the service sector compared to 7 out of 10 non-BME businesses. Virtually 100% of Chinese businesses are in the service sector.

Approximately one third of BME businesses are companies compared to two-thirds of non-BME businesses. Almost two fifths of BME businesses are sole proprietors compared to less than one fifth of non-BME businesses. This conceals variations within ethnic groups – well over half of Chinese and Pakistani businesses are sole proprietors – three times the rate of non-BME businesses. Contrary to popular opinion, a slightly smaller proportion of BME businesses are family owned compared to non-BME businesses. Family owned businesses are highest amongst the Chinese community.

#### **4.7 Use of Support Services**

There is clearly a role for support services to help BME budding entrepreneurs to realise their potential. Numerous research studies have shown that business support can have a very positive impact on business start up and survival. There is evidence<sup>48</sup> to support the view that engagement with an 'incubation environment' that is likely to include business advice, leads to greater success rate for new businesses, with 84.4% surviving against a norm rate of around 50%<sup>49</sup>. However, The SBS survey suggests that there is a low take up of services by new-start/young BME businesses.<sup>50</sup> On starting up or taking over a business, BME businesses are generally less likely to seek advice than non-BME businesses. About half of BME businesses seek advice compared to two thirds of non-BME businesses.<sup>51</sup> The most common source of information and advice for BME businesses is family, friends, and other informal sources, followed by public agencies. They are much less likely to

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<sup>47</sup> SBS *ibid*

<sup>48</sup> UKBI The National Business Incubation framework 2004

<sup>49</sup> UKBI *ibid*

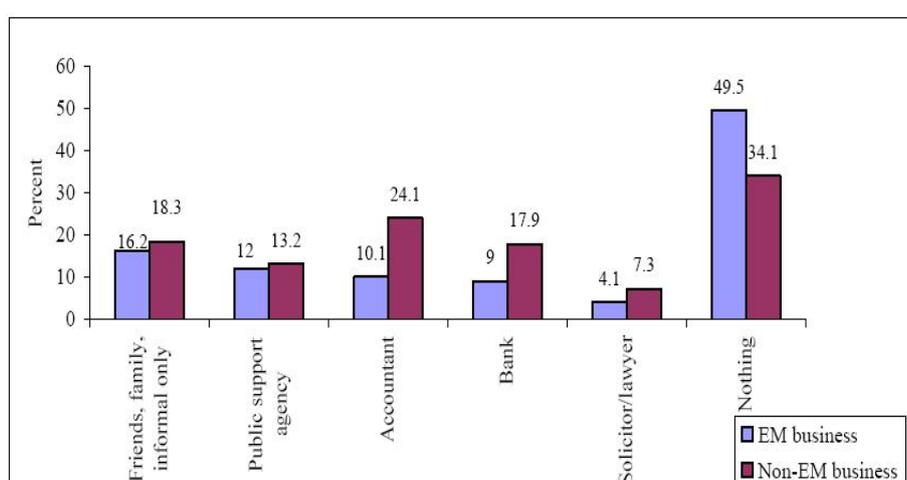
<sup>50</sup> Ethnic Minority Business In England – Small Business Service (SBS), 2006

use a bank, accountant, public agency or a solicitor than non-BME businesses.

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The National Employment Panel found that only 12% of all BME businesses approached public support agencies for start-up advice, and while 68% of all firms are aware of the Business Link brand, this figure drops to 48% amongst BME businesses<sup>53</sup>. However, only 13.2% of non-BME businesses used public support agencies. Chart 1 below illustrates the sources of advice used.

**Chart 1: Sources of advice by Ethnic Minority and non-Ethnic Minority businesses**



SBS 2006

There is already a network of formal and informal business support available in the North East. It is impossible to measure the informal networks though some structures have developed to specifically address issues faced by ethnic minority businesses. For example, there is an Asian Business Forum in Newcastle. The National Ethnic Minority Business Forum convened a North East regional grouping in 2006.

<sup>51</sup> SBS *Ibid*

<sup>52</sup> SBS *Ibid*

<sup>53</sup> Enterprising People, Enterprising Places – National Employment Panel, 2005

Issues identified by the regional group about business support include:<sup>54</sup>

- ❑ Difficulties in accessing grant/loan finance and credit
- ❑ Business support services need to be more visible within BME communities and easier to access – not clear where to go for help, especially for young/start-up businesses
- ❑ Different BME communities have different needs
- ❑ Practical advice and support is needed especially mentors?
- ❑ Language barriers & lack of understanding/sensitivity.
- ❑ Possibility of a dedicated support for BME communities?

In terms of formal business support the National Employment Panel (NEP)<sup>55</sup> suggested three reasons for the low take up of formal business support services by those in the BME business community?:

- Complexity – the infrastructure is too large and complex
- Visibility – lack of awareness of existing provision: a much more significant issue amongst BME than other businesses
- Responsiveness – support services not providing what BME businesses need and at the time they need it

The issue of “not clear where to go for help” is borne out by the large numbers of agencies that exist and the wide range of provision and provider organisations in the region. There are four sub-regional Business Link organisations which aim to provide a comprehensive service. However, in turn these organisations commission services from a large number of providers such as InBiz, Project North East, TEDCO and Entrust to name a few. There is also a myriad of provision by local authorities and their agencies as well as third sector organisations such as FIN, ACUMEN, and Scarman Trust, funded from a variety of sources.

NEP suggested that one of the reasons for the low take up of public support is the “complex” nature of the provision determined by funding opportunities

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<sup>54</sup> Ethnic Minority Business Forum – Minutes of Northeast Regional Meeting – 30/03/06

<sup>55</sup> National Employment Panel - *ibid*

rather than ease of access or effectiveness. In the North East there are 457 small business support services offered by 115 organisations. 46 of these organisations provide specific assistance to BME firms. NEP concluded:

*“The fragmentation of services and diffusion of resources undermine the quality and reliability of the network and make it confusing for BME firms to get the help they want”*

NEP undertook interviews which elicited some common issues with the responsiveness of current business support provision:

- Staff frequently lacked commercial experience
- Services and processes are bureaucratic
- Little sense of urgency
- Sign posting offered whereas hands on more practical help needed
- Little help or expertise on premises – a high priority for ethnic minority entrepreneurs

An issue with business support of which emerged during the events was use of language: a difficulty in understanding some of the terms used within this field. This is particularly, but not exclusively, an issue for people whose first language is not English. The term enterprise and entrepreneurial are not in common usage and are generally not understood. Generally, participants understand terms such as “business” and self-employed” but not “enterprise”. Even more confusing are some of the brand names such as *Iwant2doit* and *AnyBodyCan*. Use of language is a factor for access to business support services.

#### **4.8 North East BMERM Enterprise – An Overview**

The evidence suggests that the picture of North East BMERM enterprise is:

- Complex because people from BMERM communities are not a homogeneous group – their attitude to, and experience of, enterprise varies between communities and within communities. It therefore follows that their support needs differ. Despite these differences, there are some common messages: BME communities find business support services

complex and are less likely to seek support/advice than non-BME businesses

- Difficult to map because of the absence of robust, up to date, and regionally specific data
- One of unfulfilled potential. Despite evidence suggesting BMERM communities are more disposed to self-employment or setting up in business, this is not reflected in the number of businesses established.
- Changing - because of recent international migration to the region. As well as the more established BME communities whose origins are mainly India, Pakistan, Bangladesh and China, there are newer international migrants. There is a small but steadily growing number of refugees - some from countries that have not been traditionally represented in the region. There is a small, but rapidly growing, international migrant community, especially from A8 countries. This more recent migration adds new potential for business growth

## **5. The Action Learning Events**

### **5.1 Role of the Events in the Review**

As noted in Section 1 the primary purpose of the events was to bring the service providers and the different community groups together to explore, in a structured way, the challenges and issues pertaining to starting a business and supporting those developing businesses. Three themes emerged for these events:

- *Exploring the (various) journeys into enterprise*
- *Joining up the perceived needs of those starting out in business with the available support services in the region*
- *Building social capital for more effective enterprise support within the communities exploring business start up and those supporting them.*

The events form an important element in the evidence base for One NorthEast and the new BLNE service, in particular how it configures with the Strategic Action Plan for Enterprise, Business and Support produced as part of the revised Regional Economic Strategy. The intention was to explore how networks and existing support can be factored in or developed to achieve the aims of providing appropriate support to BME, refugee and migrant communities. However, at the time of reporting, it is still not clear how start up provision will fit within the service provision menu for BLNE.

### **5.2 Design of the Events**

In the original proposal, five events were proposed – one event exclusively for migrants in Berwick, one exclusively for refugees in Tyneside and three further events (in Newcastle, Sunderland and Teesside) primarily for BME British exploring enterprise and business development. After the Inception Meeting with One NorthEast further focus groups were proposed that explored the issues differently and with smaller groups. Five workshops and three focus groups were held between the 20<sup>th</sup> of February and 8<sup>th</sup> March 2007. One of the proposed focus groups for Durham students was not held as there were insufficient numbers.

**Table 7 The Programme of the Events**

	<b>Target group</b>	<b>Location</b>	<b>Date</b>	<b>Support agencies</b>
	Migrants			
1 (WS)	A8/rural	Berwick	8 March 6.00 – 8.30	BLNE NSP BDC CAB
1 (FG)	Polish	Newcastle	5 March 6.00 – 9.00pm Polish Club	(focus group)
2 (FG)	Students	Durham University	12 March	BLNE
	BME			
2 (WS)	Pakistani (and some refugees)	Teesside Thistle Hotel	Wed 28 Feb 5.30-8.30	BLNE, InBiz, 5 lamps, Asian Business Forum, SDC, MCC
3 (WS)	Mixed	Newcastle St James Park	Tues 6 March 4.00 – 7.00	BLNE PNE Entrust EN FIN NCC etc
4 (WS)	Bangladeshi	Sunderland Exchange Buildings	Tues 27 Feb 11.30 – 3.00pm	BLNE, Inbiz, SES
	Refugees			
5 (WS)		Newcastle St James Park	Tues 20 Feb 4.00 – 7.00pm	BLNE PNE Entrust EN FIN NCC
	Cross cutting			
3 (FG)	Women	Riverside CHP	March 8 <sup>th</sup> 11-12.30pm	(focus group) NCC
4 (FG)	Youth	Riverside	March 5 <sup>th</sup> 5-6,30pm	(focus group) NCC

The workshops were designed to last for three hours each, attract a mix of participants – some who were thinking about starting a business or already running one and frontline staff from business support agencies including Business Link, Inbiz, local enterprise agencies and community support organisations. The focus groups were shorter discussion sessions held with a given community and gave an opportunity to discuss issues from a particular perspective e.g. youth, women, single country of origin.

The intent was to create an environment of multiple learning and exchange of understanding, particularly between the support agencies and the enterprise practitioners. A mix of formal presentations, break out groups, facilitated discussion, live case studies and review were utilised to achieve the fullest exchange of ideas, views, perspectives and (on occasion) frustrations. No videoing or audio recordings were made at the events in an effort to ensure

open discussion, however, permission was sought for extensive note taking and key points were captured on flipcharts.



A tried and tested model of enterprise development known as the MAIRS model guided the overall design, encouraging discussion regarding:

- The **motivation** for developing business ideas and getting started in business;
- the **abilities** and skills needed for successful business start up and survival;
- the development of **ideas** linked to potential markets or customers; and
- the **resources** necessary and desirable.

This MAIR framework has been used around the UK and the globe (but originated in the North East) as a holistic approach to assessing business potential that gives significant weight to the 'why' and 'who' of business development as well as the more typical 'what' and 'how'.

In the design, the team were committed to ensuring that the events would not be a wholly extractive process and that individuals would be able to develop their own thinking, share ideas with others at different stages in their

enterprise journey and benefit from their participation. A series of briefing notes were created to ensure all participants were appraised of the purpose and style of the events, as well as personal briefings for as many individuals as could be reached in the timeframe.

Consultation with the partners for each event was also undertaken to get advice on the need for translation/interpretation provision, previous activities of a similar nature, what had worked and not worked in the past and recommendations sought for potential participants.



## **5.3 Recruiting Participants**

### **5.3.1 Project Partners and Collaborators**

It was decided at the project conception that wherever possible, the team would work with existing networks and partners. Collaboration with a number of partners in the project, and its approach, was secured prior to commission. This was confirmed on being given the go-ahead to proceed with the Project. An element of this was simply practicality, given the short timetable for delivery of the project. The much greater part of the reason for proceeding in this way was an understanding of the way community networks function, and an appreciation of various organisations that were well linked to them. BoW itself has worked for many years with a number of BMERM organisations. The Regional Refugee Forum (RRF), Sunderland Bangladeshi Association, the BME Network in Middlesbrough, and the North of England Refugee Service (NERS) were all willing collaborators in this project. All of these organisations recognise that enterprise is an important feature in the lives of many of the people who are members of, or affiliated to their organisation. They were all keen to pursue a project which could help to improve the delivery of enterprise services to the BMERM communities that they serve.

The Project Team was very conscious in arranging these events that it was not possible to cover the total diversity of BMERM communities in the North East. However, the events themselves were designed to include a reasonably authoritative cross section of different communities in the region, and to provide an element of geographical perspective. Events were held in Newcastle, Middlesbrough, Sunderland and Berwick, which enabled targeting of the areas of the greatest concentrations of BMERM communities, both long-standing and recently arrived, but which also gave an urban/rural contrast to the work and drew in a comparison between different impacts and responses that more recent migration is having on enterprise (and other) services. Through arranging smaller focus groups it was also possible to explore further the intergenerational issues, gender issues, and the experiences of a particular community of recent migrants.

There were less established contacts in north Northumberland. However, recruitment was managed through contacts with the LSP and the Citizen's Advice Bureau in Berwick who have worked closely with the migrant community in the area. Both agencies were energetic and helpful in making contacts and recruiting participants to the learning event.

All of these organisations have an intimate knowledge of the communities, and crucially have their trust. It was recognised and appreciated that they would be instrumental in identifying and recruiting the 10 (plus) individual participants from the business community to participate in the learning events. For the events staged in Newcastle, Financial Inclusion Newcastle (FIN) worked closely with the project to recruit people from the refugee community and various BME communities in Newcastle for these particular events. The approach of the project was to recognise the cost and time of partners and collaborators and resource this through the project.

The team also worked with a number of local authorities and other government institutions in setting up and delivering the project. Newcastle City Council worked particularly close with us on the Newcastle BME event, and Northumberland Local Strategic Partnership and Berwick upon Tweed DC on the event with migrants in Berwick. The team received contact advice from One NorthEast, other local authorities and enterprise support agencies. Frontline staff from Business Link Tyne & Wear, Tees Valley and Northumberland, were especially helpful and contributed both in terms of enthusiastically attending and contributing to the events, but also in advising on contacts for the events, most notably helping the team to identify people from support agencies.

The focus groups were smaller events and targeted to capture additional qualitative information i.e. Asian youth, Asian women and people from the Polish community. The team also planned a group with potential migrants currently studying at post-graduate level in Durham who had recently attended a New Venture Creation module run by the University of Durham Business School. In the case of the focus groups with Asian women and young people,

the outreach workers from the Riverside Community Health Project in the West end of Newcastle worked with us, organised participants, and made their venue available

The Project Team targeted particular communities and particular people from those communities. For the Newcastle BME and Middlesbrough events (the latter mostly targeted towards the Pakistani-origin community), the team aimed for more mature businesses and more established communities. It was appreciated that events with refugees and migrants would inevitably include more people who were at an early stage of their 'enterprise journey', and this proved to be the case, though it was noticeable that many people had already moved into establishing themselves in self-employment or setting up a business.

The main events were held in attractive locations that would, it was hoped, act as an incentive for people to attend. Smaller focus groups were held in venues which people would be familiar with; the Riverside Community Health Project in Benwell and the Polish club in Elswick. In order to allow some informal networking to take place, food was provided at all events. Contact with the Polish community was through work previously carried out on research work with migrant communities. In Durham the team worked through the department of Computer Science and the Business School.

Events were held at times which were considered to be to be most convenient to enable maximum ease of participation. The issue of language and whether translation services would be required was also factored into the planning, and arrangements for translation made prior to the events taking place.

### **5.3.2. Process for Recruiting Participants**

The aim for the main events was to identify participants who were in business or in the process of establishing a business. Briefing notes were sent to 'recruitment' organisations and meeting and conversations held with them to establish the type of people to be invited to the events, and to give them

sufficient information so that they in turn would be able to brief them about the aims of the project. This was then followed up with personal letters of invitation and a short notice explaining what the project was aiming to achieve, why we wanted them to participate in the events, and what would be in it for them. A number of individuals contacted BoW as project leader for further information. Individuals who would be prepared to speak about their particular 'enterprise journey' to introduce the event were identified with collaborating organisations and they received further detailed briefing from workshop facilitators.

Given the shortness of the timetable, the team was able to broadly meet the aims that were set out for these activities, both in terms of numbers and the 'types' of people we planned to recruit to the events. Observations of the learning gained from this process are outlined below at 5.3.4.

### **5.3.3 Recruiting from the Enterprise Support Network**

The views of the enterprise support network were considered to be a critical factor in undertaking this work. This was expected to include both a strategic element to the process as well as 'on the ground' experience of working with BRERM communities. Representatives from Business Link, One NorthEast and local authorities were invited to each of the events. Key agencies experienced in delivering enterprise advice to BMERM communities were also invited to participate and contributed to the events. These were mostly publicly funded bodies, though some private sector and voluntary sector agencies did participate in the events. This was on the basis of contributing their experience to the process of learning, and also to transmit information to participants on what was available through the support network and what their organisation did.

Each of the support agencies received briefing notes about the event and phone calls to discuss their contribution in detail.

### 5.3.4. Observations and Learning from Arranging the Events

There were concerns expressed amongst partners and other agencies, which were shared by the Project team, about the shortness of the period to deliver this Project, especially as the team wanted to ensure that it was 'client driven'. Given this, the attendance at the events, the general awareness of what was trying to be achieved, and enthusiasm for it were pleasing outcomes. There were inevitably some very minor disappointments, including a failure to find participants for the Durham focus group, but these were far outweighed by positive aspects.

A range of observations that can be made as learning points from the process of arranging the events.

- The network for disseminating information generally worked well in recruiting people to the event. Familiarity both with the 'recruiting partner' and in some cases BoW and others from the project team clearly provided a number of short cuts in 'access' to participants and their 'trust' in the Project.
- It was a matter of principle and good practice that the additional time and energy organisations spent on helping to organise the events was recognised and paid for. This was appreciated.
- It was noticeable in particular how the network in the Berwick area operated particularly effectively once key agencies (particularly CAB) on the ground became engaged in the process.
- The contacts were perhaps slowest to be established through the larger local authorities. This is perhaps a function of the very size of these organisations where external research type activities can be seen as somewhat peripheral to their work. The Newcastle City Council team did work tremendously hard in the later stages of arranging one of the events to identify and recommend participants.
- Very few people had to be 'persuaded' to take part. Most were enthusiastic to take part, to give their time and experience, and were eager to find out whatever else they could about support for their business venture.

- In a small number of cases it became apparent that the briefing to participants needed to be clearer about the purpose of the event.
- Most of the enterprise support agencies were willing participants, though there was a view expressed by some that One NorthEast should ask their opinion about what to do. In some cases agencies who had expressed an interest in attending did not turn up. However it is recognised that many of the events were organised at fairly short notice and March is an extremely busy month for those in this sector.
- There are clearly ‘champions’ for this area of work within different areas of operation of Business Link and other business support who have a personal commitment to improving work with BMERM communities. They are well recognised and appreciated within the communities that they support but perhaps not more widely.

All of the above experience led the project Team to find that the BMERM communities for this research were not at all ‘hard to reach’ as they are so often labelled.

#### **5.4 The Events**

As stated above, five workshops were held as proposed in the original tender and an additional four focus groups were arranged as agreed at the Inception Meeting. Table 8 overleaf, shows that a total of 133 people took part (workshops = 99; focus groups = 34). One of the additional proposed focus groups (with Durham MSc students) did not attract sufficient numbers to run.



**Table 8**

Key	Male <b>M</b>	Fem ale <b>F</b>	Thinking about a business	In the process of starting	Running a busines s	Not sure what they want to do	From support sector	Under 25 years old
Colour code			Yellow	Blue	Red	Orange	Green	Age
<b>Migrant Workshop</b>								
Berwick	8	8	4	0	6	2	4	1
<b>BME Workshop</b>								
Teesside (and some refugees)	13	8	0	0	13	0	8	
Newcastle	10	11	1	2	10	0	8	2
Sunderland	14	4	5	1	4	3	5	5
<b>Refugee Workshop</b>								
Newcastle	12	11	0	2	8	1	12	
<b>Additional Focus groups</b>								
Polish	4	5	7	0	2	0	0	1
Asian Women	0	10	0	0	0	6	4	
Asian Youth	5	10	1	0	0	12	2	13
<i>Total</i>	<b>66</b>	<b>67</b>	<b>18</b>	<b>5</b>	<b>43</b>	<b>24</b>	<b>43</b>	<b>23</b>

The support sector was represented by Business Link, local authorities, Inbiz, Three Lamps, Walker Hall, FIN, Social Enterprise Sunderland, regional refugee forum, NERS, JET, CAB, NSP, banks

## 5.5 Summary

Overall the Project Team was able to recruit and run the various events in line with the project plan. The various individuals and organisations who attended were drawn from across the region and across the range of BME, migrant and refugee communities. A wide range of partners and support agencies and organisations supported the recruitment for the events and the process for the design, recruitment, management and delivery of the various events went smoothly without any major issues arising.

The findings, outcomes and lessons from the events are reported in Section 6 below.

## **6. Findings from the Events**

This section of the report presents a summary of the key issues and findings arising from the workshops and focus groups held throughout the Region. As noted in Section 5, these events used the MAIR framework to guide the content and format of the discussion. Therefore this framework has been used to group findings from the events, where the findings are presented under the headers of under motivation, ability and skills, ideas and markets and resources, together with a final section around use of support services. In the first instance comment is made about the differences between and within the differing groups of participants at the events.

### **6.1 The Different Participant Groups and Enterprise**

As has been noted throughout this report, participants at the events varied across a range of ethnic and cultural backgrounds, their legal status within the UK and the length of time they have lived in the UK. In broad terms the target groups for this research and hence participants for the events were categorised into three broad groupings of A8 migrants, those from BME communities and refugees.

A common feature of the A8 migrant participants was that they had made a conscious decision to leave their countries and come to work and live in the UK. Participants from this group expected to be able to work or set up a business so that they could build a life for themselves a life that included owning a home, having children and being self sufficient individuals. Business clearly figured in these expectations as it was seen as a vehicle for earning an income, building economic wealth and self sufficiency.

Those participants from BME communities are UK citizens and come from families where they themselves, their parents and/or grandparents had been

migrants to this country some time ago. This group had within it a range of cultural and ethnic groups, including African, Bangladeshi, Indian, Pakistani and Chinese. The group tended to include a larger proportion of people already running businesses or those who were part of family run businesses and where business was seen more often than not as the natural step into employment – the normal ‘career path’ to follow.

Participants who have Refugee status in the UK also came from a wide range of ethnic and cultural groups including Eastern Europe and sub Saharan Africa and Asia. These participants varied as to their understanding and experience of business but again like the migrant group were looking at business as a way of achieving an income and building their lives in the UK.

It was clear from feedback given at the events that the experiences of these groups and the individuals within them varied tremendously and hence it was not possible to simply record the views or experiences of any one group as being typical of that entire BME, migrant or refugee group. For example the gender issues arising for women within and between groups – in particular the constraining impact of the domestic and community responsibilities that women hold – were discussed and captured to some degree through both the mixed groups and a specific discussion groups with Asian women. Specific issues that arose for this group are presented throughout the findings reported below rather than as a separate section as such.

Having said this it was notable that in several cases there was some commonality amongst the experiences and needs of each group and indeed for those in BMERM communities as a whole.

The findings presented below set out the key issues arising and where appropriate presents the different experiences of the different groups and individuals amongst them.

## 6.2 Ingredients for Setting up a Successful Business

Although a primary objective of the events was to learn about and from the enterprise experiences of the participants, the aim was also to share learning about successful business development with the participants. This was undertaken primarily through open and small group discussion around two issues: *'what it takes to make a successful business start up – the ingredients for a successful business'* and *'the factors faced on the journey of starting and growing a successful business'*.

Participants were asked to reflect on these and present the 'ingredients' and 'factors' for successful business development. Through this exercise it was expected that the participants would be able to focus on the key aspects of setting up and running a successful business and that those participants who were at the earlier stages of business awareness or start up would have the opportunity to gain some insight and knowledge that would help them through the next steps. In general the exercise helped the participants to develop some understanding of business and at the same time demonstrated their understanding of business to the research team and those attending from the support sector

From the various discussions it was clear that in general, the participants had a good understanding of the key issues for achieving success in their own business, the steps for setting up a business and the key issues faced in growing a business.

When asked to present the 'ingredients' there was no significant difference between the responses from the various groups who participated in this exercise. What was encouraging was how knowledgeable the young Asian group were – many of whom reported to have business enterprise studies on their curriculum at school or college.

Most participants were realistic about the issues that would present as they moved through business start up or growth. There was particular discussion

about survival and growth issue in the Middlesbrough workshop where most of the participants were business owners.

### **6.3 Motivation for Business Ownership**

Questions of what motivated the participants to consider business ownership and for many the step of actually setting up in business, elicited a range of responses which varied between and within groups of participants.

Parents and the older generation within the BME community clearly have an impact on the employment and enterprise decisions taken by their children and younger members of their community. Issues concerning parental expectations as regards good job/career options were raised at the various events and highlighted a key factor that differentiated participants from the BME communities and the Migrant and Refugee participants. In these latter two groups, individuals were less likely to have their parents or older relatives in the UK influencing the decisions that they might make. These groups are relatively free to make their own choices and this impacted on a number of the issues discussed during the events especially concerning aspirations and motivation surrounding enterprise.

Many of the participants saw self employment and business ownership as a positive choice quoting a series of different reasons for wanting to start and grow their own business.

#### **6.3.1 Generating an Income or a Better Income**

Moving out of poverty and creating an income was given as a key reason for business start up by many of the participants but particularly by the Migrants and Refugees. Participants stressed that they were limited in their choices for traditional employment and much of that available to them was poorly paid. A range of reasons were given for this situation including:

- Their limited English language skills.
- Their sense that job centre staff, employers and the general public in

some way did not 'trust them' and that this reduced the opportunities that were or could be open to them.

- They were unable to gain employment at a level commensurate with their skills and experience as again there appeared to be some scepticism about how well they would perform as employees.
- Their qualifications were not easily transferable and were often discounted and so qualified people had to work in low level unskilled roles.

Using business ownership or at least self employment as a source of employment that was not low skilled and low paid was cited as a key motivator by many in the migrant and refugee groups.

### **6.3.2 Self employment - the easier option?**

Some of the migrant participants described self employment as an easier option than getting a job in that it involved a relatively easier process to the bureaucratic requirements involved in registering for employment. Indeed it was mentioned more than once by migrant Poles that they felt it is relatively easy to register to start a business in the UK compared with the procedures they faced in Poland.

However whilst many participants reported that self employment could be an easier option, some participants had experienced resistance amongst job centre staff when they had asked for help or information on self employment. There was a 'strong perception' that job centre staff were encouraged to direct people to employment because this option counted more towards their targets than self employment.

### **6.3.3 Escaping Poor Employment**

There were examples of participants from all of three of the different groups who noted that their primary reason for starting their own business was to escape prejudice and discrimination – some of this racial – in the workplace. This seemed more prevalent amongst the indigenous BME communities and the older members within this community – although not exclusively so.

### **6.3.4 Supporting the Community**

One participant, a migrant from Poland who had come to the UK in the early 90's, expressed the view that starting up a business was a way of supporting her community. Through her business, a website for Polish migrants in the north east, she was able to provide information and help new migrants to avoid some of the difficulties she had experienced when she first came. Similar sentiments were expressed in discussions at the Bangladeshi event - both with respect to their private businesses and The Bangladeshi Community Centre in Sunderland that now operates as a social enterprise.

### **6.3.5 The Lesser Risk**

For some participants, notably those from the more established communities business ownership was seen as far less of a risk than seeking employment. Employment, especially outside of the community, was perceived as more risky where one could be vulnerable to redundancy, be limited in what they could earn or what they could achieve in terms success status and recognition. This experience was particularly relevant for the Asian business owners who had a family history of running businesses and where there is a strong understanding of business and experience of overcoming business difficulties. This group was very familiar with running a business and although these businesses were often limited to the food and retail sectors this was still seen as being less risky and more desirable than entering the job market.

### **6.3.6 Wealth and Status**

Participants talked of being able to build a better life through business start up and growth which would allow them to create wealth, generate savings and give them a better standard of life for them and their family. In addition having a successful business was seen as a means of gaining respect and standing within the community.

### 6.3.7 Reasons for not Starting a Business

In some of the workshops there were strong views expressed about not starting a business and what were 'de motivators' for business. These included:

- The desire by some younger Asian participants to get a job so that they might lead a 'normal life' i.e. a life that had work life balance different to that of their parents. Their business role models were of parents pursuing a business life that involved long unsociable hours (especially as many were in food catering and small retail businesses), having to deal with difficult trading situations and not having much freedom, rest or family life.
- In several discussions comments were made that parents who had their own businesses and Asian parents in particular, were now less likely to encourage their children to go into business. Rather they wanted their children to study and get professional well paid jobs. In some cases, however the view was that this would help young people to build wealth and then they could set up a more substantive business at a later stage in their life. This view was endorsed by the focus groups with Asian youth and Asian women in Newcastle.
- The desire not to follow in the 'sector footsteps' of their families and others in the community meant that starting a different business was seen as very risky – especially by the older generations. Younger people were not encouraged to start a business if it was outside of the 'normal sectors' because knowledge experience and contacts for these new sectors was limited or non-existent within the community.

In summary many of the motivations given, for starting and growing a business by all three BME, Migrants and Refugee groups, reflected and endorsed the 'lack of or limited choice' - push factor type of reasons found by previous research with such groups, both within the region and elsewhere. This was especially the case for the 'new arrivals' within the migrant and refugee groups. However voices within the younger generations of the Asian communities also demonstrated two notable differences. Some participants quoted positive motivations such as 'being my own boss', 'generating wealth

for my family' and 'creating employment in the community' as their reasons for starting or aspiring to start their own business. All of these are much quoted 'pull factor' universal motivations for going into business.

## **6.4 Abilities and Skills for Business**

In setting up and running a business there are two key skills/knowledge sets – those that are generic to setting up and running any business and those required for the delivery of the specific products or services. As noted above, participants in all of the groups appeared to be very clear about the type of competencies needed to start a business including '*a dose of good luck thrown in*' which was quoted in several groups. How one developed competencies for business varied amongst the groups.

### **6.4.1 Training for Business know how**

There was a strong view amongst all of the participants that there must be support and help for individuals to gain the skills and abilities that are required for setting up and running a business. Knowing what the regulations were for business registration and tax issues such as VAT were typical issues mentioned –to some extent these are universal concerns expressed by those starting businesses. The key factor for the BMERM groups, especially those new to the UK and the region was where to go to find out about these matters. Polish migrants in particular reported that, as they were new to the UK, they did not understand basic business laws and requirements such as tax etc. Interesting several said that when they did find out they were pleasantly surprised as UK laws and systems are less bureaucratic by comparison to Poland.

Whilst a small number of participants mentioned the positive support they had received in developing 'know how;' through a business adviser, very few quoted the main business support agencies as being the places to go to for help and few mentioned that they had been on any form of business start up or development training as such.

Knowledge of business support and training was more prevalent amongst the BME groups and several participants noted that they had been on sector based courses at colleges. Indeed one of the case studies presented a strong case for business owners to continually update and upgrade their knowledge and skills through continuous training shown by her own commitment to this over a 20 year period. However the majority experience for developing business skills appeared to be by trial and error or informal learning from their peer groups in the community. One interesting point mentioned by several BME participants, in later discussions about lack of use of support services, was the fact that some business owners were reluctant to contact business support agencies for fear that they were not running their business 'right'. This did not simply relate to compliance with regulations but appeared to concern much broader business 'know how' and also related to 'losing face' in the community.

#### **6.4.2 Transfer /Credibility of Qualifications**

Those participants who were A8 migrants and refugees, found the whole issue of transferring their qualifications (vocational, academic and business) and getting them recognised in the UK an issue of major concern. Getting the correct information about this matter was cited as a major issue. One participant, a qualified electrician, reported that he had been told he would have to go through a four year training course before he was qualified to operate as an electrician in the UK. He had no way of knowing whether this information was correct and did not feel that the staff at the job centre who gave him this information really had the detail of knowledge to advise on this. New migrants obviously have no way of checking whether the information given to them is correct or not and it was felt that people are in danger of being seriously misled because advisers may not be fully conversant with the requirements for transfer of very specific qualifications.

Even where individuals had successfully transferred qualifications then there was no guarantee that this would enable them to find employment using these

qualifications. Two individuals, both Polish migrants, gave examples from their own experience of having gone through additional education to qualify under UK requirements; they had not been able to find employment in their profession (architect and civil engineer) and had had to accept work where they would not be able to practice. Their view was that they and their work was not 'trusted' even though they had now qualified under two qualifying authorities – Poland and the UK. In this respect self employment was an alternative, although lack of track record was seen as a hurdle to building credibility with clients.

In summary very few of the participants from any of the groups appeared to have used business start up training resources in the region, relying on their own peer groups or in a few cases one to one support from business advisors to help them develop the necessary generic business skills. The issue of transfer, recognition and application of vocational skills both for employment and self employment would seem to be an area with scope for more effective assistance –for those from the migrant and refugee communities.

## **6.5 Ideas and Markets**

Ideas for business and knowing and reaching the market, is a core element of any business a critical issue for business survival and growth and an aspect of business that was explored extensively through all of the events.

### **6.5.1 Limited business Ideas and Markets**

The events highlighted the fact that the Asian participants (Bangladeshi, Indian and Chinese), seem to operate within a limited range of business sectors and markets. Predominantly these businesses are focussed around catering and retailing including restaurants, take-away food and food retailing. There were, however a few examples given where individuals had developed businesses in other sectors. Food catering and food retail are seen as a relatively easy entry type of business for all of the groups.

The older more established BME communities had established such business and several participants from migrant and refugee groups who were thinking about business said that they were considering opening a restaurant or a shop selling food for their own community e.g. an African restaurant, a Polish deli. Food and catering appears to be viewed as - something that anyone can do, does not require large amounts of capital and food is something that everyone wants to buy.

However concern was expressed, both by participants and those from the support sector, that this perspective could be unrealistic. Whilst the food and drink sector presents great opportunities- indeed in the RES it is one of the One NorthEast's priority sectors for development, it is a complex sector presenting serious business challenges. For example catering and food retailing are very competitive parts of the sector which require good business skills and experience for successful business survival and growth. Catering in particular is a regulated sector in the UK and compliance with health safety regulations is required – an aspect of business 'know how' which migrants in particular felt they were lacking.

Some BME participants felt that whilst they and people within their communities, understand the market for catering and food into their immediate community they have insufficient knowledge of the wider market place. This narrower understanding of the market and market opportunities is probably why food business ideas amongst the BME community are limited in scope and confined to certain localities. A young Bangladeshi man at the Sunderland event, who had recently moved up from London, commented that he could not understand why so many of his community were in the food related business and so few in other sectors.

There would also seem to be a preference to supporting younger members of the community to set up business in these limited range of sectors. There was some indication that if younger people wanted to consider alternative ideas or markets then this was regarded as 'too risky' and they would not necessarily be able to count on support from their parents or elder members of the

community.

A young Bangladeshi man who set up a garage explained that whilst his parents and friends were not against the idea, he was unable to use the ‘usual family networks for business support because this was a *‘foreign business sector to them’*.

Lack of market awareness also means that existing business in the catering and food sector tend to be serving increasingly over crowded markets which makes survival and growth an issue. Discussions at the focus group with Asian women gave an insight into this. One had started an ‘Indian take away’ business with her husband and *“we just copied others in the area because that was what we knew and local people in the community could help”*. However soon it became apparent that despite long unpaid hours of work that they were not making any profit and so they closed the business and rented out the building – in taking a tenant she said they chose not to rent to a Bangladeshi take-away business but to a Chinese takeaway because it would be the only one in that area and hence they felt the business had a greater chance of survival and ability to pay the rent!

### **6.5.2 Limited Networks & Role Models for Business**

Participants, in discussing the whole issue of limited markets, highlighted the need for broader networks that would help them to open up their markets and look at other business opportunities beyond their own communities. Strong networks within the community provided core social capital<sup>56</sup> for business support however the danger was that these very same tight networks also created ‘inward looking comfort zones’ and barriers to things anew. If networks are limited then that is also likely to limit access to business ideas, role models and therefore constrain the business aspirations and horizons of those considering business. Building outward looking networks to develop

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<sup>56</sup> Social capital, is often defined as the personal contacts and social networks that generate shared understandings, trust and reciprocity within and between social groups, and which underpin co-operation and collective action, the basis of economic prosperity and economic inclusion. – see ONE 2005

bridging social is clearly a major challenge.

The participants reported a real lack of role models of successful business people from BME, migrant and refugee communities. It was recognised that whilst there are successful business people from these communities the feeling is that they are not being promoted as role models and are not widely known. Younger people in particular do not appear to be benefiting from hearing about and learning from the role models that exist.

In summary the business ideas and markets prevalent in the BMERM communities, tended to be narrow in terms of their sector focus and scope of market place. This applied equally, although in different ways to all three groups, where serving the needs of their respective communities and building upon the knowledge of the community tend to drive the choice of business idea and market place. Whilst bringing advantages in terms of support and custom in the short term such an approach leads to saturated markets and limited growth in the long run.

## **6.6 Resources**

Starting and growing a business requires bringing together a wide range of different resources. Participants were well aware of the type of resources they needed for their businesses or business ideas. Most of the discussions about resources, perhaps inevitably, tended to focus on money but there was also some discussion around issues of finding employees and premises and developing contacts and networks for support and access to information.

### **6.6.1 Finance**

A key issue for many of the participants was their ability to access money and in particular loan finance through banks or other sources. Many of the issues raised would seem to be common to most people setting up in business and especially those who have little money of their own. However some of the

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issues raised were specific to the particular religious and culture practices of the community or the circumstances of being a migrant or refugee.

- **No credit record.** The fact that individuals were new to the UK meant that they did not have the necessary UK credit track record and this limited their access to loan finance through formal sources.
- **Residence and references.** Some individuals noted that even to open a bank account they need to go through the normal formalities of identification, proof of residence and provide references. Some felt that it was not always possible to provide references and that this in turn could limit their ability to set up and run a business.
- **Interest and Sharia'a Law** For some Muslim participants there were issues related to Sharia'a or Islamic law<sup>57</sup>. As a matter of faith, a Muslim cannot lend money to, or receive money from someone and expect to benefit – interest (known as riba) is not allowed. Whilst there a number of banks that are now offering financial products that takes account of Sharia'a law (for example the Islamic Bank of Britain) none of the participants mentioned these and seemed unaware of these products.
- **Family Finance.** For some communities, particularly those from Bangladeshi, Pakistani, Indian or Chinese communities, the availability of family finance was a critical part of being able to set up and grow a business. However for some, particularly younger people, family lending sometimes limited the type of businesses they could set up and run. Parents or other older relatives were putting conditions on their lending in terms of what businesses they felt were suitable for the young people.

Whilst finding funds was a major difficulty expressed by all groups – the more recent A8 migrants did note a positive financial aspect to setting up a business in the UK – it is cheaper to do so. Participants from Poland stressed the lower cost of establishing a business in the UK compared to back in Poland. Business insurance in particular was cited as being very much lower. Overall the mechanics of setting up a business as a legal entity in the UK was

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<sup>57</sup> Central to Islamic finance is the fact that money itself has no intrinsic value. As a matter of faith, a Muslim cannot lend money to, or receive money from someone and expect to benefit – interest (known as riba) is not allowed. To make money from money is forbidden – wealth can only be generated through legitimate trade and investment in assets. Money must be used in a productive way.

felt to be much simpler and took less time than in Poland.

### **6.6.2 Employees and People**

The importance of having good staff for your business was emphasised in many of the events and especially those with the BME communities. Some participants from the Chinese community highlighted problems of finding suitable employees who have the right language skills to be able to provide services for their customers who want to communicate in Cantonese or Mandarin. Those from the Bangladeshi community noted the difficulty and of getting qualified authentic chefs locally and the increased bureaucracy and cost of bring them over from Bangladesh. There would seem to be opportunities for skill and language training to serve businesses in both of these communities.

### **6.6.3 Location Premises and Transport**

The Northumberland event highlighted many of the general issues raised by rural based businesses but then gave an insight into the additional burdens and barriers experienced by recent migrants and refugees wanting to establish themselves in such areas.

A critical issue raised by many at the Northumberland event was the shortage of housing. Migrants were asked whether they would consider settling in the northeast and establishing their businesses here – many said they would like to do so but only if they could bring over their families and a significant barrier to this was the shortage of housing in the area.

This was a serious problem for migrants settling in the area after the initial attraction by seasonal jobs and the fish and agricultural industries. Without adequate housing, migrants are unable to establish a family life and have the security that is needed when preparing to go through the sometimes difficult journey of setting up in business. Another related issue was the ability to

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move about around the region and access resources without a car. Several recent migrants and refugees noted that public transport outside of the urban areas was very poor, further restricting their access to the resources needed both for general living and for setting up and running a business. Access to markets and clients was similarly compromised by poor transport connections.

#### **6.6.4 Networks**

Migrants and refugees have limited networks in the UK and this in turn was felt to limit their access to information about resources such as funding – grants and loans, and limited opportunities for personal investment into their businesses through training and developmental opportunities.

It was interesting to note that some of those attending the event in Berwick said one of the most useful outcomes from attending was finding out that there were others like themselves in the area. They had not realised that there were so many other migrants and refugees in the locality and were heartened to be making new contacts and building new networks through the event. The event was a stimulus to finding out about each other and the existence of other support agencies.

It should be noted also that the Citizens Advice Bureau in the Berwick area clearly plays a significant role in the lives of many migrants and refugees acting as a nodal point of reference and key sign poster to help for many in these communities.

Discussions about finance and resources for business start up appeared to be less of an issue (although they were mentioned) at the BME events. However what was raised were the problems of accessing finance and support for business growth and development. A general lack of awareness about sources of support for business growth was evident amongst the more established BME communities and was raised as an issue by operating non traditional businesses where informal community resource networks had less experience.

In summary access to the appropriate resources is a key issue for anyone starting or growing their own business no matter what their background and circumstances. It would appear even more difficult for migrants and refugees whose limited and new networks constrain and inhibit their access to both formal and informal sources of assistance.

## **6.7 Formal Support**

From the issues discussed in this section so far it will come as no surprise to note that there was extensive discussions about the support sector at all of the events. Of course finding out about awareness of, access to and use of business support services by the BMERM groups was a primary objective of the Project. However it was also a primary topic of interest for all of the participants and one about which everyone was keen to improve their knowledge.

### **6.7.1 General Awareness and Experience of the Support Sector**

The universal feedback on the support sector was by no means negative with several participants reporting positive experiences with specific individual advisers who had helped them greatly. However these were more the exception rather than the rule with the majority of participants at all the events reporting that they do not know what support is available to help them set up or develop their businesses.

Many could quote names of agencies such as Business Link and some of the enterprise trusts but most did not know what services they offered unless they had been in direct contact. Even then some of those who had been in contact held inaccurate views as to the scope of support these agencies offered - *“Business Links only help start ups”* was a common claim.

Overall feedback was that the situation was very confused and that many advisers at the agencies themselves did not seem to know who could provide

what support and advice to different types of business. Many of those who attempted to get advice and support reported that it had been a frustrating and time consuming experience, although not always without reward eventually.

There was a suspicion that BME, migrants and refugee clients could be viewed as needing more advisor time and as a group were starting with less access to resources. Therefore the perception was that the business support agencies were passing them on having established that the agency would not be able to achieve a fast enough 'outcome' to count towards its targets.

A common report was a feeling of being 'passed around' although it was noted that this was often given the more formal label of 'signposting'. This 'passing around' was viewed as being more about agencies lacking the understanding or competence to provide the help and support that the clients required than it was about maximising client benefit.

### **6.7.2 Understanding Cultures and Needs**

Another very strong assertion reiterated throughout the events was the claim that that *'support agencies do not understand us, think we are difficult and don't want to work with us'*. This statement seems to be based upon a combination of a several things:

- Some participants felt that advisers do not understand the work ethics of BMEs. One participant from the restaurant said that *"it is normal to work 18 hours to make things happen but the adviser saw this as inefficiency"*
- There was also a question of whether advisers understand the business sectors that BME groups are engaged in. An example was given of a hair dresser who wanted to serve an African clientele and planned to be open on a 24 hours basis. The adviser continually questioned this and yet did not know that plaiting hair can take several hours and was not as quick a process as European hairdressing. The same client also wanted to sell phone cards within their shop and again the adviser challenged him stating that there would be no market for this. They did not know that African people phoning home routinely buy phone cards and do not use mobile phones as

this is a very expensive option.

- Some younger Muslim women felt that the fact they wore a scarf covering their head compromised their interactions with business advisers. They felt that advisers were nervous of communicating with them and as a result did not take them seriously. Other Muslim women said that their experience had been different and one said “*I have not had problems, I am British and I just get on with it*”.
- It was felt that advisers could not always understand the detail of the cultural backgrounds and experiences of many BMERM clients. An example of this was given concerning an incident when a businessperson starting a business paid a fellow African £15,000 cash. This was seen as naive by the Business Link adviser who criticised him. The businessman couldn't understand this criticism as in his eyes the person to whom he gave the money was from the most entrepreneurial tribe in his home country and so trust and respect was there.
- More generally there were questions as to the degree to which business advisers agencies actually understood the practicalities had of business. Some participants felt that the quality of the advice they were given was variable and demonstrated a lack of business experience on the part of some advisers.

### **6.7.3 Improving Communication**

There was a general call for support agencies to develop a better understanding of the lives and needs of BME, migrant and refugee groups if the support they provided was to meet the real needs of the clients. It was recognised that agencies cannot specifically target all of the cultural and ethnic groups in the north east as these are so diverse. However the overwhelming feeling was that there was a need for far better communications between the various business support agencies in the region and the BMERM communities they were supposed to be serving. The typical of the points noted included the following:

- There was a universal call for advisers to “*come out from behind their desks*”, to take their services out into the community more and be less dependent

upon clients finding them. One of the case study businesses, a refugee, captured the essence of this when he burst out in frustration stating *“Why are we called ‘hard to reach’? They see us every day- we are not hard to reach!”*

- Business advisers should link up with community groups and organisations with a strong BME, migrant, refugee client group, and deliver services through and with these agencies that have the links and understanding to reach people.
- It was felt that individual communities need natural brokers or people who could act as a bridge between their communities and business advice and support. These brokers would provide ‘cultural interpretation, guidance, signposting and act as a points of information.
- The language, jargon and acronyms used within the business support sector often make communication and understanding of the sector and its services even more difficult. *“some agencies have names that don’t mean anything to us and don’t tell you what they do” “what is this word ‘enterprise’ what does it mean and why don’t they use the word business if they are about business support”* (Bangladeshi women). Discussion about this point went onto say that there was no word for enterprise as such in Bengali, Arabic or Urdu.
- It was suggested that business advisory agencies need to market themselves and their services into the BME, migrant and refugee communities through community channels - but making sure that the language and methods of marketing do not leave individuals confused about what is being offered and how to contact the agencies.
- One participant felt that advisers had to give honest feedback and advice. He felt that advisers may be afraid to say to a BME client – *‘your idea will not work’* or *‘you have very little chance of being successful’*. For fear of being seen as discriminatory and yet honest constructive feedback was essential.
- Linked to this point was the importance of informed feedback. Several clients reported that they had been refused grants or support. Whilst this was disappointing, the lack of explanation of why what they could do to improve their chance of success next time added to the disappointment
- Several participants felt that the agencies needed to be more transparent about who they have helped and why.

In summary all of those participating in the events were keen to know more about business support agencies and their services. Many had clear ideas about how these agencies could be more useful to those coming from BMERM communities. Whilst there were the obvious calls for more financial assistance – a universal request from any business group - there was also a strong message calling for better communication with and to those in BMERM communities and through this an improved understanding of the context and circumstances of those coming for business support from these communities.



## **6.8 Support Sector Views**

A range of business advisory agencies and other business support bodies were invited to take part in the events and provided a view either through the events or afterwards through direct contact. It would not be appropriate or equitable to complete this section without commenting on the feedback given by these participants.

A number of advisers gave their time and support by attending the Project events – often to hear much criticism of their agencies and the support sector in general. Many agreed with some of the comments made and challenged others in an open and constructive manner whilst informing the participants about the type of services that were available from a range of agencies. After the event advisers were contacted and asked for reflective feedback on the issues raised at the events they had attended.

The key points raised from this feedback are given below:

- It seemed to be widely acknowledged that business support series are not designed to be tailored to the individual but rather look at broad groups. As such there is a huge danger that in lumping together BME, refugee and

migrants together they could miss out on meeting the needs of any one specific group or group of individuals within this.

- Supporting individuals who have few resources; less understanding of the UK business and regulatory systems and requirements and who may have language problems, requires time. Current support systems do not allow for concentrated input to work with individuals. Some advisers, or agencies as a whole, could be put off from even engaging with these individuals.
- There is a danger that the skills and experiences that individuals bring to the table can be devalued by advisers because language barriers lead to poor communication and typecasting.
- Support is patchy across the region and at present support for those from BMERM groups is probably best in LEGI areas and LEGI local authorities. Having said this LEGI money may have missed the biggest refugee population in the region in Newcastle.
- Many small businesses set up by BME, migrant and refugees are likely to be under the VAT level and therefore are not measured in the statistics and hence 'do not count'. It is not recognised that many BME business deliberately stay under the VAT level as they fear the extra layers of bureaucracy cost and effort they perceive as existing 'above the VAT level'.
- Support needs to be sustainable. There is a danger that due to funding changes, advice services come and go - are subject to closure, change or re-branding. All of this is very confusing to clients whose first language is not English who rely on informal networks are not on mailing lists – in essence they cannot be expected to keep up with the latest re-organisation.
- One representative from a bank reported that her bank had seen a significant increase in individual bank accounts opened by migrants. The bank was now looking at new migrants as a growing customer group and adapting services, products and marketing to target this group.

## **6.9 In Summary**

This Project was commissioned on the premise that business support services in the region could better meet the needs of those from minority communities wishing to start and grow their own businesses. The events deliberately set

out to find out about experiences, needs and wants of individuals from BME, refugee and migrant communities.

This section has presented a whole myriad of feedback from a wide range of individuals from BME, migrant and refugee communities throughout the region. Table 9 overleaf pulls together the main messages that appeared pertinent at different stages of the journey into business.

Whilst there is much criticism of existing and past services from those within the BMERM communities there is also a great deal of constructive feedback and ideas for doing things better in the future. There is also a greater mix of enterprise and business owners from BMERM communities who are able to express their needs, demand appropriate services and contribute to the business community and business life of the North East

Hope for the future was also echoed by one of the case study enterprises at the end her presentation when she said: *“Overall in the North East today – things are easier than 20 years ago. There are more mixed communities and I feel less alone!”*



## Reference.

Durham University (ICRRDS), Miles Strategic Consulting Ltd and White Young Green Ltd (2005) Social Capital and Economic Development in the North East of England: Promoting Economic Inclusion through Community Based Programmes and Projects Final Report Submitted to ONE.



Table 9	KEY MESSAGES FROM THE EVENTS		
	Steps along the Journey into Business		
Aspect of business development	Pre start / awareness	Start up	Post Start Survival and Development
<b>Motivation for Business</b>	<ul style="list-style-type: none"> <li>▪ Endorsed that many are pushed into self employment through lack of /limited employment options, especially for Migrant and Refugee groups</li> <li>▪ Younger generations of older established communities have positive aspirational views about business common of the broader population. However some have negative views of business ownership based on the struggles that their parents have had in business – largely in the food and retail sectors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Desire by younger generations to do different sectors of business to their parents.</li> <li>▪ Examples of members of all these communities successfully starting business were seen as very motivational</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increasing examples of successful BME businesses seen as positive examples of overcoming hurdles including discrimination.</li> </ul>
Concluding Messages	<p>Negative push factors for self employment are prevalent especially amongst the newer communities. However positive profiling and promotion of a wide range of successful business start ups role models from all three communities would help to illustrate success, the overcoming of problems and the increasing diversity of business ownership amongst these groups.</p>		
<b>Abilities and Skills for Business</b>	<ul style="list-style-type: none"> <li>▪ Apparent low perceptions about business animation and pre start support training which could help with signposting to appropriate support.</li> <li>▪ Accessing 'know how' about 'non traditional' businesses an issue for those in the BME community, especially younger generations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transfer /recognition of qualifications for employment and self employment an issue for newer migrants</li> <li>▪ Low use of formal training courses to help build generic business skills</li> <li>▪ Accessing 'know how' about 'non traditional' businesses an issue for those in the BME community, especially younger generations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Accessing 'know how' about 'non traditional' businesses is an issue for those in the BME community.</li> </ul>
Concluding Messages	<p>Accessing new migrants to accurate and timely advice about recognition of their qualifications fro employment or self employment would appear to be needed A need for greater awareness about and engagement in start up and post start training for business amongst BMERM</p>		

Table 9	KEY MESSAGES FROM THE EVENTS		
	Steps along the Journey into Business		
Aspect of business development	Pre start / awareness	Start up	Post Start Survival and Development
<b>Ideas and Markets</b>	communities <ul style="list-style-type: none"> <li>▪ Lots of support for those starting businesses in traditional sectors but this can be limiting</li> <li>▪ Need to raise awareness about a wider range of successful businesses within and amongst each community</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tendency for businesses to be established in well known and/or community oriented sectors serving primarily these communities in local markets</li> <li>▪ Lack of role models from within these communities to promote a diversity of businesses and markets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Need to build upon good know how about traditional sectors in BME communities to encourage the development of new markets and opportunities</li> </ul>
<b>Concluding Messages</b>	Need to build upon existing strengths of traditional business know how in these communities and help to diversify the business sectors and markets of those starting and growing businesses. Promotion of appropriate role models and extending networks is seen as important in this respect		
<b>Resources</b>	<ul style="list-style-type: none"> <li>▪ Those in BME communities can often source support from within their communities to explore and test out ideas</li> <li>▪ Migrants and refugees by their very fact of their recent arrival have limited networks and 'know who' knowledge to access both formal and informal resources for business</li> </ul>	<ul style="list-style-type: none"> <li>▪ Those in BME communities can often source funding and other resources for start up from within their communities, although this may be more difficult for those wishing to set up in non traditional sectors of business.</li> <li>▪ For migrants and refugees the barriers brought about by limited networks are further compounded by not knowing what to do to formally start up.</li> </ul>	<ul style="list-style-type: none"> <li>▪ General lack of awareness about sources of support for business growth was especially evident in discussions amongst the more established BME communities and particularly for those in non traditional businesses</li> </ul>
<b>Concluding Messages</b>	The particular position of migrants and refugees as newcomers with limited know how about business and know who for accessing resources (both business and for general living) are particularly compromised in starting their own businesses. Those in the more established indigenous BME communities have access to better informal resources for start up but struggle in finding resources for non traditional business and business growth.		

Table 9	KEY MESSAGES FROM THE EVENTS		
	Steps along the Journey into Business		
Aspect of business development	Pre start / awareness	Start up	Post Start Survival and Development
<b>Formal Support</b>	<ul style="list-style-type: none"> <li>▪ Those in the well established indigenous BME communities appear to rely on their own informal networks for support in the initial stages</li> <li>▪ There appears to be little awareness and engagement with animation events from any of the three groups of communities</li> <li>▪ There is a need to help new migrants and refugees build their own informal networks. The events undertaken for this Project illustrated that this can be facilitated very simply.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Those from the BME community wishing to start different types of business are having to increasingly seek support form outside of their community but have limited awareness and understanding of what is available</li> <li>▪ Migrant and refugees have limited networks of support and also appear to have limited understanding of what they see a complex web of agencies amongst whom they get passed often with little practical support forthcoming</li> </ul>	<ul style="list-style-type: none"> <li>▪ General lack of awareness about sources of support for business growth was especially evident in discussions amongst the more established BME communities and particularly for those in non traditional businesses</li> </ul>
Concluding Messages	A strong message calling for better communication with and to those in BMERM communities and through this an improved understanding of the context and circumstances of those coming for business support from these communities. The use of informal networks – and the social capital they bring – both within and between all of the BMERM groups is critical for business. Their development should be facilitated and supported wherever possible.		

## **7. Conclusions**

Having reported the discussions and feedback from the learning events above this section reflects more broadly on the findings of the project overall bringing together previous research and published commentary, issues that were discussed and emerged during the process of undertaking this project as well as the learning events themselves.

### **7.1 BMERM Populations in the North East**

There is a shortage of robust and up to date data of the regional picture on the BMERM population. However, it is possible to make some general observations. There are small, but well established BME communities in the North East, many of whom are located in Newcastle and Teeside. Because of the policy of dispersal, there is a small, but significant, number of refugees living in the region. ONS population estimates show that Inward international migration into the region is growing rapidly, especially from A8 countries. At this stage it is not possible to be certain about their long-term intentions.

Population projections do suggest that the North East population may now be growing slightly after years of decline because of inward international migration and that this will continue. These are not homogeneous communities. There are significant differences both between these communities and within each of the communities themselves.

### **7.2 BMERM Enterprise in the North East**

#### **7.2.1 Potential**

As with the population data, there is a shortage of detailed and reliable information on BMERM enterprise potential. Despite this, the limited evidence available suggests that members of BMERM communities are more inclined to set up in business than members of non-BMERM communities. This was illustrated by the real enthusiasm for doing business in the North East which

came from participants in the events, especially from newer arrivals – both refugees and recent migrants. They had positive experiences of interacting with the local authorities, support agencies such as FIN (Financial Inclusion Newcastle) and some banks. However, this potential and enthusiasm does not yet appear to be reflected in the number of businesses established.

### **7.2.2 Not Homogeneous**

There is a danger that the business support needs of BMERM people are viewed as being the same. However the characteristics of BMERM enterprise do vary because of culture, ethnic origin, age profile, reason for coming or being in the North East, length of settlement and a whole host of other factors. Because of this, their business support needs are not uniform and the research highlighted that this must be considered when devising support packages or programmes. Targeting services to something called BMERM or indeed BME makes no sense to the unintended recipients of these services.

### **7.2.3 Motivation**

There is evidence of 'pull factors' in the BME communities where a serious choice is taken to set up in business rather than taking up employment – see section 5. Negative push factors for self-employment are prevalent especially amongst the newer communities, often because they cannot get a job that makes best use of their skills or their qualifications are not recognised. However positive profiling and promotion of a wide range of successful business start up role models from all three communities would help to illustrate success, the overcoming of problems and the increasing diversity of business ownership amongst these groups.

### **7.2.4 Abilities and Skills for Business**

The primary research has highlighted that newer migrants require access to accurate and timely advice about the recognition of their qualifications for either employment or self-employment. There is also a need to promote the

wide range of start up and post start training for business to those amongst BMERM communities so that they are able to take up these opportunities. Currently there would appear to be a demand for and supply of business support services that are not meeting each other.

### **7.2.5 Ideas and Markets**

BME businesses tend to be focussed on a small range of sectors – catering and retail in particular. There is a need to build upon existing strengths of traditional business know-how in these communities and help to diversify the business sectors and markets of those starting and growing businesses. Promotion of appropriate role models and extending networks is seen as important in this respect.

The primary research provided evidence that some younger people from BME communities are beginning to branch out into other sectors of business. In doing so some will be moving beyond the experience of the older generations, and they may not then receive the support they could otherwise have expected in starting and developing their businesses, if they had set up in more ‘traditional’ and ‘familiar’ business sectors

### **7.2.6 Resources**

The particular position of migrants and refugees as newcomers with limited know how about business and know how for accessing resources (both business and for general living) are particularly compromised in starting their own businesses. Those in the more established indigenous BME communities appear to have access to better informal resources for start up but some said they struggle in finding resources for non traditional business and business growth.

### **7.3 Business Support Services**

Whilst the research highlighted a wide range of issues and areas where business support services were viewed as weak or needing improvement, it is important to note that some members of BMERM communities currently benefit from existing business support services and have been very satisfied with the service received. These should be used as cases of good practice by support agencies. However generally there is concern that a “one size fits all” brokerage service is not well understood and that business support services will not be sufficiently responsive or will continue to be complex.

#### **7.3.1 Awareness of Services by BMERM Communities**

Those from BMERM communities do not regard themselves as “hard to reach”. On the contrary, they often regard themselves as highly visible but that support agencies and others do not work in the communities where they live nor do they set up support services linked to already existing local and community organisations. So they see themselves as ‘rarely sought and rarely found’ rather than hard to reach.

The research highlighted that many people from BMERM communities appear to be very unclear about what business support is available and where to find it. Many of those participants engaging with the research events who were aware of Business Link thought that it is just about business start-up.

The research highlighted a strong call for better communication with and to those in BMERM communities and through this an improved and increased understanding of what business support is available. For example the existence of The Business Link website was news to many participants in the events. Those who were aware of it felt that presenting key elements of the website in other languages would be very useful – if nothing else this would demonstrate an awareness by Business Link of the language differences and needs amongst their client groups.

Clarity on what is available at what stage of business development needs to be made much more widely known throughout recognised and trusted marketing and promotion mechanisms used within these communities.

### **7.3.2 Complexity of Services**

Amongst BME communities, there seems to be a degree of scepticism about support and that seeking and receiving advice is a worthwhile exercise. The apparent complex nature of business support services seemed to be a deterrent. A multiplicity of organisations working within the same communities is confusing and can lead to duplication of work, mixed messages and disappointment when one organisation offers one group support but another is not eligible. The challenge for business support services is provide services which are simpler, more visible, whilst also being responsive and consistently delivered. A service which is responsive to specific needs often ends up being complex.

### **7.3.3 Understanding of Support Needs by Service Deliverers**

In the events, refugees were generally more positive than BME participants about the value of getting advice. However, they questioned whether business support staff had sufficient knowledge of the circumstances of refugees. The evidence from the events suggests that many staff don't know the difference between an asylum seeker and a refugee. Agencies charged with strategic level responsibilities and those working on the ground delivering services directly – business advice staff – need to know more about the general circumstances of BMERM communities and the range of experience of business, and approaches to business, amongst BMERM communities.

The research highlighted that for many people from BMERM communities, especially newer international migrants and refugee communities, the start up support they need is more intensive, and the process may be more protracted given unfamiliarity with the way things work. Business advisors may in effect be dealing with or at least need to be aware of a range of complex non

business needs and issues that are presenting themselves alongside the need for business support. For example transferability of skills/qualifications, language, lack of knowledge of business processes and accepted practice. Migrants who participated in the events reported that many are using advice/support services but had questions about quality – did the advisors have sufficient business experience/knowledge/qualifications to be able to give good quality advice?

#### **7.4 Networks**

The use of informal networks – and the social capital they bring – both within and between all of the BMERM groups is critical for business as well as general livelihood issues. There are a wide range of BMERM formal and informal networks operating in the region which are used by community members for support and information. At present there is limited collaboration between these networks and business support agencies and yet there is great potential for added value to both.

#### **7.5 Involvement of BMERM Communities**

Members of BMERM communities are generally not involved in strategy development and have limited involvement in service delivery. A strong message from the events was that if there was greater representation/involvement in strategy and service delivery, then services are more likely to be more responsive, appropriate and through this, more effective both for the client and overall business growth in the North East.

## **8. Recommendations**

BMERM communities are not homogeneous. Consideration was given to breaking down recommendations into separate sections for BME, refugees and migrants to reflect the differences between these communities. This has not been done since the situation is complex and changing. Although each of the three groups has different general characteristics, there are some common actions that can benefit all groups but there also are differences within each of the three groups. It's also difficult to draw a line between groups. There is overlapping membership. For example, a migrant or refugee may also define themselves as belonging to a BME community. Whilst there are legal definitions of when someone ceases to be a refugee, it does not follow that self-definition or their business support needs coincides with their legal status. Although there are not separate recommendations for the constituent groups, some of the recommendations do contain examples on how the recommendation could be implemented in different ways to respond to the needs of specific groups.

The recommendations are concerned with improving the business support environment. They are split into three sections:

- Overall commentary
- Strategic issues
- Delivery issues – presented by stages of business development

### **8.1 Overall**

#### **Recommendation One – Understanding Diversity**

Both strategic and delivery agencies need to have more understanding of diversity and the variations in culture between different communities, the changing attitudes within communities across gender and generations, and sensitivity to these variations and changes in attitudes. This applies in particular to those agencies commissioned to supplying business advice to BMERM communities. This is a major training issue and should not be left to

the 'committed few'. ONE needs to take a strong lead in this task – moving beyond the commonly used funding labels of BME, migrants, refugees and recognise the need for different more specific labels depending on which services are being promoted and how they are being. In light of this all stakeholders: ONE NorthEast, BLNE, and delivery agencies should review their business support 'offer' to help ensure an appropriate and hence improved service is delivered in relation to the wide diverse range of different groups that sit under the umbrella of BMERM.

## **8.2 Strategy - ONE NorthEast**

### **Recommendation Two – Balance of Business Support Funding**

It is recommended that ONE revisit the balance of funding support for start up and allocation to delivery agencies. It is recognised that many of those from the groups that we have looked at in this report face a different route into business but one that is valid and can be successful. However it is a longer route and more support is needed up front. Such support can be, and is, delivered very effectively by organisations like FIN ENi, ACUMEN etc. However, they do not get core funding through the BLNE – so we have the bulk of funding going through a standard shorter start up model through BLNE and yet these BMERM groups using agencies who are not supported through this and the funds – the recent start up bid – is a much smaller pot of money. There is a mismatch between need and funds available to support

### **Recommendation Three – Strategic Plan**

The contribution that increasing diversity in business activity can bring to meeting economic challenges in the region has been recognised. In order to help fully realise this opportunity, it is recommended that ONE NorthEast develop a coherent strategic plan based on the recommendations contained within this report. The aim of the plan would be to increasing business start-ups and growth amongst the North East's BMERM population. It should include recommended actions for ONE NorthEast, Business Link NorthEast,

delivery agencies and other relevant partners working with BMERM communities in the region.

#### **Recommendation Four – BMERM involvement in strategy development**

There should a positive approach by ONE NorthEast to recruiting people from individual BMERM communities to be involved in developing strategic approaches. This should be at board and senior management level. This will help with cultural understanding and trust within the BMERM communities and critically will help to influence the ONE NorthEast and BLNE. This should not be restricted to representation. ONE should look at more effective ways of engaging especially with new and younger groups. Build upon emerging consultation groups – e.g. those used in health, Newcastle young people's forum etc

ONE NorthEast should also consider other ways in which representatives from BMERM communities could be more involved in the development of strategy on an ongoing basis. A starting point could be to develop the role of North East Ethnic Minorities Business Forum (EMBT) in relation to BME communities. However, given that BME groups are not homogeneous, care would need to be taken that the group is as representative as possible in respect of ethnicity, age, gender, and type/length of business experience. It is unlikely that a single group could also represent the interests of migrants and refugees. Other existing organisations such as the North East Refugee Forum could be approached to identify potential representatives. There is no single regional organisation for migrants, but there are some community organisations such as the Newcastle Polish club which have good networks with newer migrants.

#### **Recommendation Five - Championing**

One NorthEast should play a leading role in 'championing' the benefits that increasing diversity – the 'diversity dividend' - is bringing to the economic well being of the region. This can be delivered through:

- ❑ Public relations: making the general public and businesses aware of the economic benefits to the region
- ❑ Marketing of the North East as a place for BMERM communities to do business
- ❑ Networking with local authorities, voluntary groups, the business community, and BMERM groups to support championing of diversity

### **Recommendation Six – Business intelligence**

ONE NorthEast should commission primary research to improve the business intelligence on the range of BMERM owned business in the region, both at start up and ‘established trading’ stage. This research could be supplemented by the qualitative data held by Business Link, universities and others. This information would include business sector, size, stage the business is at, and whether advice services have been accessed (see Middlesborough business directory as an example). Such research would not only provide a more robust baseline, but will give a strong indication of whether there are market gaps, shifts and growth within BMERM businesses which could be encouraged and supported. The research framework needs to collect data that records the different characteristics of BME communities, refugees and migrants. It also needs to record characteristics by ethnicity, geography, age, gender, size type/size business and stage of business development. This information should then be disseminated to across the range of delivery agencies.

### **8.3 Delivery – Business Link North East and commissioned agencies**

The recommendations reflect the different stages of business development:

- ❑ Pre-start up engagement
- ❑ Start-up
- ❑ Ongoing support for established businesses

See Table 10 for more detail on how these recommendations might impact on different communities plus some examples of good practice.

## **Recommendation Seven – Pre-Start up: reaching out**

Business Link North East (BLNE) should develop and implement a plan to reach out to, and engage with, potential BMERM entrepreneurs. Such a plan could include:

- Use existing BMERM networks such as BME co-ordinating groups (e.g. Middlesbrough BME Network) and Refugee Community Organisations (RCO's) as “gateways” to communities.
- Develop an understanding of how the BMERM community and business networks function and how messages and information are passed around BMERM communities. Work with these networks to get a better understanding of how to develop opportunities and widen horizons. For example, use websites that are targeted to specific communities e.g. Newcastle Polish language website, Regional Refugee Service websites
- Promote case studies of entrepreneurs from BMERM communities who have set up businesses and accessed services to get established/grow their business. This would serve as both a role model and an opportunity to promote services. The research suggests that this already works to a limited extent on an informal level with people from refugee and migrant communities who pass on information to other people about organisations that have been helpful to them.
- Advertise in places where BMERM people meet. Meet community organisations and talk to them about what is available. Use community languages in settings where using English alone is a barrier.
- Maintain the dialogue with organisations and individuals from the BMERM business community that has been established through this project about what services are helpful to them and how these might be delivered most effectively.
- Target key people within different communities who can act as ‘conduits’ for information. This could be particularly useful where communities are fairly small in numbers – e.g. training by Refugees into Business to individuals from differing Refugee Community Organisations.

## **Recommendation Eight – Start-up: targeting services**

- The BLNE commissioning framework should allow for selecting the best organisations to work in the BMERM sector in particular localities. This should be done in consultation with BMERM communities and the support agencies currently working with them. This should include partner organisations with access to the communities as well as enterprise support agencies. A ‘local plan’ will take cognisance of these local circumstances and the task of increasing numbers can be ‘tailored’ to the needs and potentiality of local BMERM communities. This approach should be tailored to meet the needs of particular BMERM communities. For example, migrants and refugees who are newer to the UK may need to acquire general knowledge of the world of work and business much more than established BME community members.
- BLNE should explore co-opting the community networks into the brokerage provision for proposed start-ups. This may mean:
  - Encouraging networks to respond to tenders
  - Building capacity in/via networks to deliver services – including the possible establishment of new social enterprises providing business support/advice
  - Brokering relationships/ between mainstream service providers (Enterprise agencies, FIN etc) with community networks.
- Advisors in the selected agencies for particular communities need to be well trained and able to offer quality advice.
- There should be a positive approach to recruiting people from individual communities to the organisations delivering enterprise support services to BMERM communities. This will help with cultural understanding and trust within the BMERM communities themselves.
- BLNE should run/commission practical start up advice seminars/events that are promoted to particular communities or groups within communities e.g. Polish migrants, young BME women, university graduates. These events could be run in partnership with the existing community networks/community organisations that have contact with particular groups.

- BNLE should consider how the IDB model of 'business sector specific' advice may be directed to assist BME entrepreneurs who are branching out of traditional business sectors of previous generations and will not have access to much family support. (See also Recommendation 8). Small grant schemes to SME's could also be targeted/ marketed at "non-traditional" new-starts.

### **Recommendation Nine – Supporting established businesses**

At this point in time, this support is most likely to be required by members of the established BME community.

- Diversification – Many BMERM businesses, especially BME businesses, tend to operate in narrow sectors, especially retail and catering, although some younger BME entrepreneurs are looking outside of these. It is recommended that BLNE develop a specific support programme on business diversification targeted at the established BME business community and younger entrepreneurs interested in setting up in "non-traditional" sectors. Activities could include seminars/guidance on topics such as contract procurement (public and private sector), import/export, and examples of good practice. The Centre for Research in Ethnic Minority Entrepreneurship in Leicester (CRÈME) has been successful in bridging the gap between corporate buyers and minority suppliers.
- Mentor/buddying is a well-established model for disseminating business know how. It is recommended that BLNE consider this model for matching BME entrepreneurs who have sustained/grown/diversified their business with BME entrepreneurs who are considering growth/diversification or who need advice on sustainability.
- Promotion of services. Of those who are aware of business support services, the predominant view is that such services are about start-up. It is recommended that BLNE consider a specific publicity/awareness programme targeted at established BME businesses about support for existing businesses.

- Resources/finance. The literature shows that access to resources, including finance, is a challenge for many BMERM businesses. Evidence from the events shows that this is a particular issue for business growth or moving into “non-traditional” sectors. Since most of these resources come from the private rather than the public sector, it is recommended that BLNE act as a link between businesses and providers of finance by raising awareness. This would involve making businesses aware of the options for finance and making banks aware of the opportunity and the issues/characteristics of BMERM business in the region – highlighting community specific as well as general issues. This could involve networking opportunities by bring representatives from banks and BMERM business together to share information and develop contacts.

### **Recommendation Ten – Refugee/migrant Pilots**

We recommend earlier that there should be targeted project work in different geographical localities. There is an extra dimension in relation to working with newer migrant communities (both refugees and EU migrants) that requires a much broader based approach. We suggest that pilots be funded in two geographical areas, perhaps one urban and one rural, to assess the opportunity and demand for enterprise development in these communities, and to deliver the support that is appropriate.

Business advice and support services are only one element of a much wider range of support that is needed by new migrant. Because of this, we recommend that in this case One North East/BLNE works closely with local authorities, Government Office North East, voluntary and statutory organisations, representatives from the community (including organisations which represent these communities), and public and private sector agencies as well as with business advice and support services in developing two pilot projects which are directed to the successful settlement of migrant people.

The pilots would focus particularly on the pre-start engagement/awareness stage. The precise nature of the pilots to be discussed with local partners, but it is envisaged that they would:

- ❑ Build on, and add value to, existing good practice and provision
- ❑ Be part of an integrated service provided to migrants/refugees, delivered in partnership by a range of statutory and voluntary agencies
- ❑ Help deliver Recommendation Seven (pre-start up) at a local level and support the delivery of Recommendation Eight (start-up)
- ❑ Offer information/advice to individuals
- ❑ Bring migrants/refugees together to identify common issues and support needs
- ❑ Provide some basic information on starting up in business
- ❑ Guide potential entrepreneurs to the most appropriate specialist business advice

The two areas we would propose are North Northumberland (Berwick and Alnwick), and Tyneside, with a focus on Newcastle city. Both areas are experiencing significant migrations of people relative to the size of their population, which is a challenge to delivery of services and integration. There is already good practice in these areas which can be used as a platform for further development. In each case there are similarities in the experience, but differences of doing business in urban and rural areas are already recognised and this would provide some valuable contrast in the learning required to support business development in these communities.

These pilots would be evaluated with a strong emphasis on lessons learned that can be disseminated to a wider range of delivery agencies. The experience could also feed into future strategy development.

**TABLE 10**  
**SERVICE DELIVERY RECOMMENDATIONS BY GROUP PLUS GOOD PRACTICE EXAMPLES**

**Recommendation Seven: Pre Start Up – 1**

<b>Recommendation</b>	<b>BME</b>	<b>Migrants</b>	<b>Refugees</b>	<b>Good Practice example</b>
Use existing BMERM networks as “gateways” to communities.	There are numerous regional and sub regional BME networks e.g. Middlesbrough BME Network	There are no regional networks but there are local organisations who have contacts e.g. Newcastle Polish Club Berwick CAB	The North East Refugee Forum has contact with a range of RCO's (Refugee Community Organisations) which are used by new arrivals	The Asian Business Forum in Yorkshire aims to assist in the development of minority ethnic businesses through an active network that shares best practice, creates access to opportunities and represents its members. It works closely with Yorkshire Forward and local authorities.
Develop an understanding of how the BMERM community and business networks function and how messages and information are passed around BMERM communities.	There are regional and sub-regional business networks e.g. Newcastle Asian Business Forum, North East Ethnic Minorities Business Forum	There are no regional networks but some sub-regional general possibilities e.g. Newcastle Polish language website is a trusted and well used source of information	Regional Refugee Service websites e.g. <a href="http://www.refugeevoices.org.uk">www.refugeevoices.org.uk</a>  <a href="http://www.refugee.org.uk">www.refugee.org.uk</a>	
Promote case studies of entrepreneurs from BMERM communities who have set up businesses and accessed services to get established				The Newcastle New Deal for Communities Newsletter “Let’s Do Business” regularly includes case studies of BMERM new starts that have received business support advice

**TABLE 10 - continued**  
**Recommendation Seven: Pre Start Up – 2**

Recommendation	BME	Migrants	Refugees	Good Practice example
Advertise in places where BMERM people meet. Meet community organisations and talk to them about what is available. Use community languages.	There are a wide range of venues where particular groups meet e.g. Sunderland Bangladeshi Centre, mosques	There are fewer venues for migrants. The Newcastle Polish club is a well-used meeting place.	Regional organisations such as the Refugee Forum and the North Eastern Refugee Service (NERS) can advise. NERS provides an Interpreting and Translating Service	The Stockton Buddy group for women meets at the Stockton International Family Centre which is a multi-racial community resource centre
Maintain the dialogue with organisations and individuals from the BMERM business community that has been established through this project	Use the contacts/networks that have been used to recruit event participants for this project. Examples given below:			This research project has successfully made contact and established dialogue with a range of groups by using a variety of local and regional statutory and voluntary organisations.
	Newcastle City Council, Banks of the Wear, Bangladeshi Centre, Sunderland Riverside Centre, Benwell	Sustainable Cities, Northumbria University Financial Inclusion Newcastle (FIN) Berwick CAB Berwick District Council Northumberland Strategic Partnership	North East Refugee Forum FIN	
Target key people within different communities who can act as 'conduits' for information. This could be particularly useful where communities are fairly small in numbers	Riverside Centre in Newcastle: FIN have long used the library upstairs as an 'outreach' point as part of Enterprising Newcastle' but were not aware of the activities going on in the basement reaching out to women and young people.	Some agencies have good contacts with individual key people e.g. Berwick CAB with Polish community	Activists in RCO's tend to be trusted sources of information	The Middlesbrough and Stockton "Buddy groups" for women bring together women in business and those who are thinking about setting up in business. They include Asian Women who have acted as conduits/role models for other women.

**TABLE 10 - continued**  
**Recommendation Eight: Start up - 1**

Recommendation	BME	Migrants	Refugees	Good Practice example
A local plan: The BLNE commissioning framework should allow for selecting the best organisations to work in the BMERM sector in particular localities	There are some specific sectors across the region where BME business cluster. One example is food and drink – a priority sector for the region – and expertise is required here at the start up and beyond	Migrants and refugees who are newer to the UK may need to acquire general knowledge of the world of work and business much more than established BME community members.	The national refugee council has been working with key agencies to pilot partnerships with business support agencies see <a href="http://www.refugeecouncil.org.uk">www.refugeecouncil.org.uk</a>	The Ucan2 shop in the Newcastle NDC area provides information and guidance for start-up and business growth. The project has successfully supported a number of new/young businesses led by members of the BME/Migrant/Refugee communities.
BLNE should explore co-opting the community networks into the brokerage provision for proposed start-ups	There is a wide range of agencies which focus on particular groups who may already have potential, given the right support.	The proposed pilots (Recommendation Nine) will be well placed to explore possibilities with local migrant communities	The Refugee Forum do not deliver services directly but may be able to identify RCO's who have potential . There are also groups supporting other needs, such as learning IT skills, which may present an appropriate 'entry point' see <a href="http://www.wers.org.uk">www.wers.org.uk</a>	The Small Business Service runs events and a website to encourage SME's to bid for small public tenders. <a href="http://www.supply2.gov.uk">www.supply2.gov.uk</a>  The Angelou Centre in Newcastle has been providing business advice/support for black women for many years.
Advisors and brokers in the selected agencies for particular communities need to be well trained and able to offer quality advice.	Cultural awareness and recognition of work ethics/traditions were cited as inadequate and thus causing inappropriate assessment of the business proposition.	Some basic understanding of the legal status of A8, A2 etc would be useful for support staff.	Some basic understanding of the difference between asylum seekers and refugees needs to be communicated to support staff.	The Refugee Enterprise Partnership supported by the Princes Trust runs training and publishes toolkits for advisors, RCO's, and refugees under the banner of <i>Refugees Into Business</i>

**TABLE 10 Continued**  
**Recommendation Eight: Start up - 2**

<b>Recommendation</b>	<b>BME</b>	<b>Migrants</b>	<b>Refugees</b>	<b>Good practice example</b>
There should a positive approach to recruiting people from individual communities to the organisations delivering enterprise support services to BMERM communities	There may be opportunities through modern apprenticeship, job placement and New Deal schemes.	Given the number of A8 migrants, there may be sufficient demand for community specific staff e.g. Polish speaking		A few local agencies already employ BME staff who give start-up advice/support e.g. Entrust, Newcastle NDC
BNLE should run/commission practical start up advice seminars/events that are promoted to particular communities or groups within communities	Could be targeted at specific groups e.g. young BME women	Could be targeted at specific groups e.g. Polish migrants, recent migrant graduates from University Business Schools	Could be targeted at asylum seekers who have recently been given refugee status	Yorkshire's Asian Business Forum runs a range of activities/seminars, including some for women only.
BNLE should consider how the IDB model of 'business sector specific' advice may be directed to assist BME entrepreneurs who are branching out of traditional business sectors of previous generations and will not have access to much family support.	This particularly applies to younger members of the BME community and could be targeted at certain ethnic groups e.g. budding Chinese entrepreneurs wanting to try something other than the hospitality industry.			

**TABLE 10 - Continued**  
**Recommendation Nine – Supporting established businesses –1**

Recommendation	BME	Migrants	Refugees	Good practice example
<p>Diversification  It is recommended that BLNE develop a specific support programme on business diversification</p>	<p>Targeted mainly at the established BME business community but could also include younger entrepreneurs interested in setting up in “non-traditional” sectors.</p>	<p>Unlikely to be a consideration for recently established businesses</p>	<p>Unlikely to be a consideration for recently established businesses</p>	<p>The Supplier Development East Midlands (SDEM) was set up by the Centre for Research in Ethnic Minority entrepreneurship (CREME) at De Montfort University in Leicester. It aims to bridge the gap between corporate buyers and minority suppliers, increasing the number of BME businesses that supply goods or services to larger organisations and broadening BME business sectors.</p>
<p>Mentoring/buddying.  It is recommended that BLNE consider this model for matching BME entrepreneurs who have sustained/grown/diversified their business with BME entrepreneurs who are considering growth/diversification or who need advice on sustainability.</p>				

**TABLE 10 - Continued**  
**Recommendation Nine – Supporting established businesses –2**

Recommendation	BME	Migrants	Refugees	Good practice example
<p>Publicity            It is recommended that BLNE consider a specific publicity/awareness programme targeted at established BME businesses about support for existing businesses.</p>	<p>It is suggested that publicity for this group includes support services for diversification and growth as well as survival/sustainability</p>	<p>For newly established business by recent arrivals, there may need to be a greater emphasis on sustaining/survival messages rather than growth/diversification</p>		<p>Yorkshire’s Asian Business Forum has a dedicated website <a href="http://www.abdn.org.uk">www.abdn.org.uk</a> and newsletter which promotes opportunities to BME businesses e.g. Trade Mission to Pakistan</p>
<p>Resources/finance            It is recommended that BLNE act as a link between businesses and providers of finance by raising awareness</p>	<p>Some established BME businesses who have relied on family friends for investment may need advice/support on approaching institutional lenders for the first time. Some banks and public loan funds now offer Islamic sharia-type loans.</p>			<p>The British Bankers Association has published “Ethnic Minority Business in the UK: Access to Finance and Business Report”. It includes detailed recommendations for banking practice. The national Ethnic Minorities Business Forum has a working group on finance – their work may give pointers to local action.</p>

## **8.4 In Conclusion**

This Project was commissioned to undertake work looking at the position and needs of those from BMERM communities considering starting and growing business. As the RES so rightly identifies members from these diverse communities that make up the BMERM group do represent a great potential opportunity for increasing business ownership and strengthening the business profile and wellbeing of the north east economy. However this potential remains only partially realised and will remain so until the distinct characteristics needs and opportunities that those in these differing communities are recognised, understood and interpreted into appropriate business support attitudes and services throughout the support network.

## Annexes

A full report on the learning events has been produced separately detailing participants, feedback discussions etc. For reasons of confidentiality these are not presented in this report.

**Annex 1**            **Event Design**  
**Annex 2**            **Workshop Briefing (1) Partners/Collaborators and**  
**Annex 3**            **Workshop Briefing Notes (2) Panel members**

**Annex 4**            **Example Invitation to participants**

### Annex 1 Event Design

Overall purpose: *to collect views and experiences of the enterprise journeys of target groups i.e. Migrants, Refugees and BMEs in the North East of England as a means of developing an evidence base for ONE/BLNE in preparation for designing start up services for different target groups that are effective and accessible.*

Process: *use of non-directive facilitation to explore perceptions of the enterprise journey, build models from experience and achieve the exchange of information, knowledge, networks between peers and business support professionals.*

<b>Timing/resources</b>	<b>Activity</b>	<b>Facilitator notes/evidence gathering</b>
<b>3 hours (180 mins)</b>		
<b>20 minutes max</b> Registration list, sign-in forms, badges, spots.  Paper? Pens?	Registration, welcome, understanding the audience.	Give each participant a 'coloured spot' based on an assessment of: <b>Thinking about</b> yellow <b>Process of starting</b> blue <b>Running a business</b> red <b>Not sure</b> orange <b>Scouts/guides</b> green
<b>10 minutes max.</b>  Simon suggested having business	Introductions 1. Facilitator to explain purpose, role and expected outcomes of overall project and	Outline timetable with timings on flipchart paper. Record how many in each spot group. We were aiming

<b>Timing/resources</b> <b>3 hours (180 mins)</b>	<b>Activity</b>	<b>Facilitator notes/evidence gathering</b>
cards for all participants (not sure how this is achieved but an interesting idea)  30	individual events. 2. Go into groups with same colour spot and introduce yourselves. Find out what everyone's name means so you can introduce each other to the group.	for 50:50 for target group panel.  Be clear about confidentiality. We are going to report the proceedings!
<b>20 – 30</b> (minutes depending on group) Fully briefed individual (narrator) who will answer prepared questions about: Who they are; their own starting point; what motivated them or the circumstances; first step on the enterprise journey; critical incidents – special people, setbacks, lucky breaks; how that felt; any support or guidance that made a real difference; resources needed; resources secured; the current point in the journey.  40/60	<b>Another's Journey:</b> explain that we are using the concept (metaphor) of a journey. Some of you will have made long physical journeys to this place today – over the years. You will have collected experiences, networks, perceptions, ways of thinking, ways of doing – all of which will encourage you to do things in the future in particular ways. We are interested in those journeys – specifically in relation to 'enterprise' or thinking about, starting or running a business. Your experiences may be based in another country, another part of the UK or right here in the North East.	Prepare a 'journey visual' on several flipchart sheets. Write up critical incidents as speaker describes them using MAIR framework.  Summarise discussion using MAIR.
<b>10 mins:</b> Blank sheets for each participant that has a wiggly journey line  50/70	<b>Ask individuals</b> to record their enterprise journey on the sheet. Invite them to discuss with a neighbour (but they don't have to)	Options: ask a few to describe own sheet; tell them to add to this over the workshop; are they of any value to us or more to them?
<b>60 – 90</b> minutes: lots of flipchart paper and pens.  Think about what might be a typical	<b>Your journey:</b> explain purpose. Several stages to session 1. Discuss in groups what you think are the 'ingredients' for any successful business? (The	Decide on size of groups. Use colour spots if appropriate. Decide on timing for each stage. Tell group.

<b>Timing/resources</b> <b>3 hours (180 mins)</b>	<b>Activity</b>	<b>Facilitator notes/evidence gathering</b>
<p>food for this group so can use metaphor to introduce this session.</p> <p>Other questions can be developed for specific groups e.g. migrant.</p> <p style="text-align: right;">110/130 140/160</p>	<p>Journey) What ‘provisions’ would you need on your enterprise journey? You can map this against M A I R on the FC provided or use some other way. FC will be available. Can have a facilitator/translator if required.</p> <ol style="list-style-type: none"> <li>2. Put up FC for group to share and ask questions about.</li> <li>3. Tell each other your experiences of getting the ‘ingredients’ together. (Your Journey) What were the issues for you? What challenges have you overcome? How did you do this? What future challenges do you foresee? What do you need to face future challenges – people, information, money, IT, premises, research, expertise etc?</li> </ol> <p>Report back to group – using MAIR again if appropriate. Do you want to adjust your personal journey map?</p>	<p>Prepare 4 flipcharts for each group (a letter on each FC) – M A I R. Can record discussions on these sheets. May need additional support. Scouts/guides to be distributed among groups. May have to do the mapping to MAIR ourselves at each sharing stage.</p> <p>This is the key evidence base from the events. Need the richness of discussion as well as the FCs.</p> <p>Ask if anyone wants to change their ‘spots’ (if indeed they have worked out what they represent)</p>
<p><b>20 minutes.</b> But adjust to keep workshop to time.</p> <p>Fully briefed panel members. May include ‘my journey’ narrator. What info will panellists bring? How to be displayed? Questions to include – Where are you best able to help on</p>	<p><b>Journey scouts &amp; guides:</b> here are some people who can assist you at various stages of your journey and in a variety of ways. You will have the opportunity to ask them questions from the floor and to meet with them over refreshments at the end.</p>	<p>Facilitator to introduce panellists. Not a sales pitch for themselves – need to demonstrate what they can do through answers to questions.</p> <p>Tease out where groups thinks the gaps are in provision. Is there a lack of understanding/communication regarding public funded support</p>

<b>Timing/resources</b> <b>3 hours (180 mins)</b>	<b>Activity</b>	<b>Facilitator notes/evidence gathering</b>
<p>the enterprise journey?  The bank says I need a business plan. Can you help me?  Can you do the market research for me?  Can you help me register a business?  Can you find me staff?</p> <p style="text-align: right;">130/150 160/180</p>		<p>services?</p> <p>Not all panellists are able to or best placed to help at all stages of the enterprise journey.</p>
<p><b>15 minutes:</b></p> <p style="text-align: right;">145/165 175/195</p>	<p><b>Journey mode for next step:</b> Could think about this as a vehicle – are you going to travel on a train, a bus, a plane, walk? What are you going to do next? What kind of travel documents will you need on your enterprise journey? What will you do tomorrow? What is your preferred journey mode? Alone; agency; family; network; other ideas?</p>	<p>How to record this? Do it as a general feedback from the floor or in groups?</p>
<p><b>20 minutes:</b> should do it over coffee or food. Could be formal or informal. It will be anonymous.</p> <p>need a 'ready to go' email for scouts and guides if no time at the end of workshop</p> <p style="text-align: right;">165/185 195/215</p>	<p><b>Exit interviews:</b>  Participants – how has this helped in terms of progress on your journey? e.g. better informed, made a good contact, gained confidence, more ideas, more strategies, greater awareness of agencies, greater awareness of roles and offer of different agencies.</p> <p>Scouts &amp; Guides – how has this helped in terms of building your understanding of this client group?</p>	

## **Annex 2. Workshop Briefing (1) Partners/Collaborators**

**Purpose:** A key outcome of this project is to inform the new mainstream business support structure and its key delivery organisation, Business Link North East, on ways of developing effective and accessible enterprise support and development services to BME communities, Refugees and Migrants in the region who are seeking to start up in business. The tender specification requested that a range of interventions be suggested as to how barriers to business creation can be overcome for each of these client groups. The evidence base will come from three key sources:

1. published reports
2. discussions at workshops
3. lessons learned and emerging for these communities

In addition, there will be some primary research, particularly regarding migrant communities (so called 'A8') which is a more recent phenomenon.

It is the intention to put the experiences of the target groups at the heart of the learning process.

**Approach:** A schedule of workshops for each community has been put forward drawing on the expertise of collaborators to create an appropriate structure and environment for achieving the project purpose whilst offering the participants a useful experience that helps in their own enterprise journey.

**Workshop Design:** the metaphor of 'journeys' has guided the design.

- **Another's journey** – we are looking for someone (or two) who can talk about their own experiences (the traveller) of exploring a business idea, accumulating resources, accessing business support and launching an enterprise. The session will take the form of an interview 'on the sofa' led by the workshop facilitator. Preparation work will be required between the facilitator and the traveller.
- **Your journey** – using a tried and tested model of enterprise development, small groups will discuss their experiences and aspirations, the barriers they are encountering and the 'guides' that have been helpful. To ensure that there is value for the participants, individuals will be encouraged to create personal 'maps' for future reference. The facilitator, aided by collaborators/partners, will lead this session
- **Journey scouts/guides** – there are many people who can offer advice, guidance, support in a variety of ways from statutory agencies, voluntary organisations and independents. We are looking for people willing to be on a panel who can present their own insights and answer questions from the audience. They may additionally be able to offer direct support to audience members outside the workshops. The panel will be chaired by the facilitator.

- **Journey mode** - as each individual will be at a unique stage of their journey, they may need different 'vehicles' to make progress. Identifying the right source of information, peer group, resources, scouts/guiders will be explicitly explored. Some indication will also be given of what will happen next with project and how they could get involved further with influencing the format and services of business support services in the North East.

*Workshop Format: **Each event will:***

- **last about three hours**
- be in a central (to that community) and attractive venue
- include refreshments appropriate to that community
- **aim to be interactive and informal**
- **be intelligently facilitated**
- use translators where necessary
- **discussions will be recorded by note taking as the content forms part of the evidence base**
- have an agreed level of recompense for the collaborators, partners, presenters and participants

### **Workshop roles:**

Facilitators:

Design the workshop  
 Brief the guest presenters and panel members  
 Manage the workshop  
 Record the proceedings  
 Report on the proceedings  
 Evaluate the workshop

Partners/collaborators:

Identify guest speakers  
 Identify potential panel members  
 Advise on content  
 Advise on venue and support needs e.g. translation, crèche  
 Identify participants  
 Agree invitation protocols with Banks of Wear  
 Attend workshops  
 Contribute to the 'key informant' discussions

## **Annexe 3 Workshop Briefing Notes (2) Panel members**

**Purpose:** A key outcome of this project is to inform the new mainstream business support structure and its key delivery organisation, Business Link North East, on ways of developing effective and accessible enterprise support and development services to BME communities, Refugees and Migrants in the region who are seeking to start up in business. The tender specification requested that a range of interventions be suggested as to how barriers to business creation can be overcome for each of these client groups. The evidence base will come from three key sources:

- published reports
- discussions at workshops
- lessons learned and emerging for these communities

In addition, there will be some primary research, particularly regarding migrant communities (so called 'A8') which is a more recent phenomenon.

It is the intention to put the experiences of the target groups at the heart of the learning process.

**Approach:** A schedule of workshops for each community has been put forward drawing on the expertise of collaborators to create an appropriate structure and environment for achieving the project purpose whilst offering the participants a useful experience that helps in their own enterprise journey.

**Workshop Design:** the metaphor of 'journeys' has guided the design.

- **Another's journey** – we are looking for someone (or two) who can talk about their own experiences (the traveller) of exploring a business idea, accumulating resources, accessing business support and launching an enterprise. The session will take the form of an interview 'on the sofa' led by the workshop facilitator. Preparation work will be required between the facilitator and the traveller.
- **Your journey** – using a tried and tested model of enterprise development, small groups will discuss their experiences and aspirations, the barriers they are encountering and the 'guides' that have been helpful. To ensure that there is value for the participants, individuals will be encouraged to create personal 'maps' for future reference. The facilitator, aided by collaborators/partners, will lead this session
- **Journey scouts/guides** – there are many people who can offer advice, guidance, support in a variety of ways from statutory agencies, voluntary organisations and independents. We are looking for people willing to be on a panel who can present their own insights and answer questions from the audience. They may additionally be able to offer direct support to audience members outside the workshops. The panel will be chaired by the facilitator.

- **Journey mode** - as each individual will be at a unique stage of their journey, they may need different 'vehicles' to make progress. Identifying the right source of information, peer group, resources, scouts/guiders will be explicitly explored. Some indication will also be given of what will happen next with project and how they could get involved further with influencing the format and services of business support services in the North East.

*Workshop Format: **Each event will:***

- **last about three hours**
- be in a central (to that community) and attractive venue
- include refreshments appropriate to that community
- **aim to be interactive and informal**
- **be intelligently facilitated**
- use translators where necessary
- **discussions will be recorded by note taking as the content forms part of the evidence base**

### **Panel (Scouts and Guides)**

**Journey scouts & guides:** the facilitator will introduce you are "people who can assist you at various stages of your journey and in a variety of ways", explain that participants will have the opportunity to ask questions and later, to talk on a one to one basis over refreshments.

The facilitator will introduce you and your organisations – if you would like to script this, that would be great. If you want to bring literature, that is fine. We do not plan to have 'exhibition space' but rather try and deal with people on a 'conversational' basis. We expect the split between 'enterprise jourriers' and 'scouts/guides' to be about 50/50.

The facilitator will open the questions with something like:

Where are you best able to help on the enterprise journey?  
 The bank says I need a business plan. Can you help me?  
 Can you do the market research for me?  
 Can you help me register a business?  
 Can you find me staff?

Not all panellists are able to or are best placed to help at all stages of the enterprise journey. We hope to tease out where groups think the gaps are in provision. Is there a lack of understanding/communication regarding public funded support services? We don't want to give space for a 'rant'.



## **Annexe 4.Example Invitation to participants**

### **Could you tell us about what you think about the issues of starting a business in the UK?**

**Who are we?** We are part of a team researching people's experience of thinking about or starting a business in the UK.

**What do we want you for?** To come to a workshop to explore the issues and stories of starting a business in the UK. This is one workshop in a series taking place across the North East, offered, by invitation only, to a number of different groups of people – those who have come from other European countries, refugees, migrants – and we are particularly interested in the perspective of people who have been refugees.

**Why should you?** To help the regional development agency\* and the regional business support service\* understand the issues and aspirations of those individuals considering migrating to the UK and particularly to the North East of England. There will also be an opportunity to talk with different organisations about any particular issues which you would like help with now.

**What is in it for you?** A chance to discuss your views and experiences of business in both the UK and your own country, describe your recent learning to a new audience, share your ideas for the future. There will also be a light buffet to share.

**Who is it aimed at?** People who have been exploring starting a business, or have started a business, and came into the Tyneside area as a refugee. We want to spend time looking at the issues and problems that you faced as a refugee in starting your business, what was helpful, what would have been helpful, and what may be helpful in the future.

**When?** Tuesday 20<sup>th</sup> February, 4pm to 7pm

**Where?** In Executive Box 624, St James' Park, Newcastle

**Do I have to do anything else?** No – we are assuming you are willing to attend, but if you have any questions or concerns contact Graham or Nasreen at Banks of the Wear on 0191 243 0661 or email [graham.woodford@bowcp.co.uk](mailto:graham.woodford@bowcp.co.uk) or [nasreen.rashid@bowcp.co.uk](mailto:nasreen.rashid@bowcp.co.uk)

**We really appreciate your contribution to this study**

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