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## Future Potential of Immigrant Entrepreneurship in Ireland

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## Chapter

# Future Potential of Immigrant Entrepreneurship in Ireland

*Thomas Cooney and Martina Brophy*

## Abstract

International data shows that immigrant owned enterprises are an important feature of developed economies. Immigrant entrepreneurs generally report a higher rate of entrepreneurial activity than the incumbent population, and their businesses, though traditionally concentrated in low skilled industries, can and are increasingly featuring in high value sectors of the economy. The motivation of immigrants to engage in entrepreneurship is informed by a myriad of reasons, but is traditionally associated with “push” factors or necessity. This diverse population of entrepreneurs can encounter various obstacles to entrepreneurship, some of which pertain to their immigrant status, in addition to the mainstream challenges of enterprise creation. Such challenges can include access to finance, access to mainstream business networks, and societal hostility. The European Commission has issued a call for tailored business trainings and supports for immigrant entrepreneurs across member states. Whilst efforts to implement supports in Ireland are apparent, this chapter will highlight the immediate need for a coordinated and targeted policy approach to the promotion of immigrant entrepreneurship.

**Keywords:** immigrant entrepreneurship, start-up challenges, business characteristics, missing entrepreneurs, policy interventions

## 1. Introduction

Across the European Union (EU), there is an ever-pressing need for effective integration of immigrant communities into the social, cultural and economic fabric of host countries. A major element of integration strategy and policy is to ensure the economic participation of immigrant communities through routes to the labour market. Of lesser prominence are the policies and initiatives that support and foster participation of immigrant communities in self-employment or entrepreneurship. Though tailored schemes for self-employment exist across EU member states, many are limited in scale and scope, particularly with regard to accessing finance [1].

According to the OECD *Missing Entrepreneurs 2023* report [1], though the proportion of immigrant entrepreneurs varies considerably across EU member states, the overall number of immigrant entrepreneurs is rising. In 2022, the share of immigrants among self-employed in the EU had nearly doubled over the past decade [1]. However, this report also found a self-employment gap of 5% in the EU when self-employed immigrants are compared with the most entrepreneurial population group

of 30–49 year-old males [1]. These missing entrepreneurs are evident in 70% of EU member states, including Ireland which is on par with the EU average [1].

As a country, the Republic of Ireland is a particularly interesting context for a review of immigrant entrepreneurship. Non-Irish citizens are estimated to account for 757,000 persons or 14.3% of the population of Ireland [2]. Between 2016 and 2022, Ireland's population grew to 5.1 million, a first since 1851, and the annual average estimated net migration was at its highest since 2006 [3]. Ireland has become home to a diverse community of non-Irish nationals from within and outside of Europe, each with their own nuanced sets of challenges. For example, Cooney and Foley [4] found that different ethnic groups experienced different levels of racism and discrimination in their entrepreneurial activities.

Tailored supports for immigrant entrepreneurs have been increasing across Europe in recent years. In Ireland, Technological University Dublin (in partnership with the Open Doors Initiative) began offering an online Start Your Own Business Programme to migrants, refugees and asylum seekers in 2023 [5]. Fingal Local Enterprise Office has also developed and delivered a Start Your Own Business programme targeted specifically at Ukrainian refugees (80 participants) which is delivered bilingually [6]. There is also the Start-Up Entrepreneur Programme (STEP), run since 2012, for innovative entrepreneurs from abroad to be granted permission to set up a business and reside on a full-time basis in Ireland [7]. Notwithstanding the importance of these initiatives, such efforts are small scale and do not reach out to all immigrant communities or all locations across the country. A more coordinated and targeted policy approach is needed to untap the substantial potential of missing entrepreneurs from immigrant communities within Ireland.

In light of this context, the present chapter is structured as follows. First, to provide necessary background, a demographic profile of the immigrant community in Ireland based on census data from 2022 is extended. Then follows a rudimentary literature review on immigrant entrepreneurship, which provides an overview of the business characteristics, motivations and common challenges associated with this cohort of entrepreneurs. Next are the research findings from a survey study of 202 non-Irish participants interested in starting a business, or who are or were in business. Finally, a discussion of these findings and recommendations for future action to enhance the policy environment for immigrant entrepreneurship in Ireland is provided.

## **2. Demographic profile of the immigrant community in Ireland**

There are an estimated 757,000<sup>1</sup> non-Irish citizens comprising 14.3% of the population of Ireland [2]. In the most recent population census (the year to 2023) Ireland received 141,600 immigrants, which represents a 16-year high [2]. As **Table 1** shows, almost half of immigrants in Ireland are from within the EU (312,909). Poland is the single largest non-Irish citizenship, whilst EU-13 countries like Lithuania, Romania and Latvia, which joined the EU in 2004, comprise the largest non-Irish group. In the intercensal period from 2016 to 2022, the number of individuals from Asia living in Ireland has doubled. Of this group, India is the largest citizenship with 45,449 people living in the state in 2022. The number of immigrants from the Americas has also grown, with the largest citizenship being Brazil (27,338).

<sup>1</sup> The figure of 757,000 is based on CSO 2023 Population estimates, whereas 631,785 reported in **Table 1** is based on CSO census data from 2022.

Citizenship	Total number of persons	% of the usually resident population 2022 (in italics)
<b>Irish</b>		
of which Irish only	4,112,893	96
dual Irish citizenship	170,597	4
<i>Total Irish Citizens</i>	<i>4,283,490</i>	<i>84</i>
EU-13 (excludes Poland)	134,913	21
Asia	100,320	16
Poland	93,680	15
EU-14 (excludes Ireland)	84,316	13
UK	83,347	13
Americas	53,738	9
Africa	34,761	6
Rest of Europe	25,273	4
Other citizenships	21,437	3
<i>Total Non-Irish Citizens</i>	<i>631,785</i>	<i>12</i>
<i>No nationality (incl. not stated)</i>	<i>169,604</i>	<i>3</i>

**Table 1.**

*Population profile of Ireland by citizenship 2022 [8].*

In terms of gender, there was an even split between male and female non-Irish immigrants with 314,707 (49.8%) male immigrants and 317,078 (50.2%) female immigrants. The overall average age of non-Irish citizens is lower at 36 years compared with 39 years for Irish citizens. The average age of non-Irish citizens varies depending on citizenship. The youngest average age at 25 years old was among the Ukrainian population and the oldest average age at 49.7 years old was among the UK population [8]. In 2022, 45% of Irish citizens aged 15 years and older had attained a third level degree compared with 86% of Indian citizens. The highest proportion of those whose education ceased no later than primary school level were Irish citizens (11%), followed by Romanian citizens (8%) and UK citizens (6%) [9].

In 2022, the number of non-Irish citizens in the labour force had reached 420,465, an increase of 21% on the figure from 2016. The labour force participation rates were higher for non-Irish citizens (75%) than for Irish citizens (59%). However, it should be noted that this figure is distorted because there will be many Irish citizens of working age who will be students or retired. The highest labour force participation rates were evident among those with Croatian (89%) and Italian (87%) citizenship, and were lowest among those with US (58%) and UK (61%) citizenship, again due to a higher proportion of students and retirees among these citizenships [10].

Based on the 2022 Census data, the non-Irish immigrant population is growing and is shown to be younger and more highly educated than the general Irish population. Non-Irish citizens also have a higher labour participation rate than the native population. However, the non-Irish population have a slightly higher unemployment rate at 9% compared with 8% of Irish citizens. In terms of occupational profile, a lower percentage of non-Irish citizens are corporate managers and directors (3.8%) compared with Irish citizens (5.9%). This data reinforces the notion that there are

missing entrepreneurs among the immigrant population in Ireland. In this vein, the chapter will now explore the literature to better understand the prevalence and characteristics of immigrant entrepreneurship.

### **3. Immigrant entrepreneurship**

Immigrant owned businesses are a growing and important feature of developed economies. In the EU, the share of self-employed workers born in another country has almost doubled from 7–12% from 2013 to 2022 [1]. As of 2019, there were almost one million self-employed immigrants who were job creators in the EU-27 [11]. It is estimated that at least 800,000 minority businesses exist across eight European countries (including Ireland) that employ at least 2.7 million people and have a combined turnover of at least €570 billion [12]. The UK has approximately 250,000 businesses led by ethnic minority entrepreneurs who contribute £25 billion per annum to the UK's Gross Value Added [13]. In the UK, as in other countries with an established history of immigration, patterns are now discernible in relation to both the extent and nature of immigrant entrepreneurship. In terms of business ownership, a number of Western countries report that immigrant entrepreneurs have a higher rate of entrepreneurial activity than native-born entrepreneurs [13–15].

In terms of the nature or type of entrepreneurial activity, minority businesses can be found across all sectors of industry and commerce. The sectoral concentration of minority-owned businesses does vary across countries, however. The Minority Business Matters Europe report found that countries with relatively recent large-scale immigration of ethnic minorities, such as Italy and Spain, see the highest concentration of minority-owned businesses in traditional, low-value added sectors, such as retailing and hospitality [12]. In contrast, countries with well-established ethnic minority communities, such as France and Germany, have a higher concentration of minority-owned businesses in high-value added sectors, such as business services, though their prevalence in these industries lags behind that of mainstream businesses [12]. In the UK, there has been a noticeable trend among immigrant entrepreneurs entering higher-value added sectors (i.e. electronics, pharmaceuticals, and advanced manufacturing), although the majority of immigrant entrepreneurs remain in sectors where a traditional stronghold exists [13]. In terms of international trade, immigrant entrepreneurs in the UK are more likely to export than their native counterparts [13]. Higher levels of importing and exporting among immigrant owned businesses might be reflective of transnational diaspora entrepreneurship, where immigrant business owners in their country of residence maintain entrepreneurial, material and sentimental linkages with their country of origin [16]. This concept of transnational diaspora entrepreneurship between an immigrant's country of origin and their country of residence has become increasingly popular in recent times.

The motivation to pursue entrepreneurship can be influenced by necessity (i.e. “push” factors) and by opportunity (i.e. “pull” factors). Traditionally, the literature has associated immigrant entrepreneurship with necessity or economic adversity, where individuals are pushed towards starting a business by labour market discrimination [17], limited labour market skills, continuation of family tradition [18], and unemployment [19]. This necessity-based perspective is linked to a concentration of immigrant owned businesses in low value sectors (e.g., restaurants, shops), tied to serving an ethnic or immigrant customer base, with limited growth prospects. Although this may be the case for a proportion of immigrant business owners, there is an increasing number of individuals (often highly qualified first generation and

particularly second-generation) who are pursuing opportunity entrepreneurship [1] and are concentrated in higher value sectors [12]. This is reflective of the growing economic impact of immigrant owned businesses across the EU and further afield.

Immigrants in Ireland are more entrepreneurial than the native population. As of 2017, 30% of immigrants aspire to start a business in the next 3 years compared with only 8% of those born in Ireland [20]. According to the Minority Business Matters Europe report, an estimated 4.5% of Irish businesses in their sample<sup>2</sup> are minority owned [12]. Such businesses are believed to employ at least 37,000 workers and account for 1.2% of the total turnover of private companies in the report sample [12]. An estimated 27.6% of minority business owners in Ireland are female and 72.4% are male [12]. Chinese (24.6%), Pakistani (18.6%) and Indian (18%) are the top ethnicities of minority entrepreneurs in Ireland [12]. Black entrepreneurs of Sub-Saharan African origin account for 10% of minority business owners in Ireland [12]. The main sectors in which minority businesses are concentrated is travel, personal and leisure (29.2%), of which minority business owners are nearly three times as likely to feature than mainstream businesses [12]. This is followed by business services (19.3%) and public administration, education, health and social services (14.9%) [12]. Despite these encouraging statistics, there is still a gap in the rate of early-stage entrepreneurial activity among immigrant communities and that of the indigenous male population aged 30–49 years old [21]. It is estimated that there are 114,000 missing entrepreneurs in Ireland, with immigrants accounting for 20% of that number [21].

#### **4. Challenges facing non-Irish nationals starting a business**

When starting a business in Ireland, not all immigrant entrepreneurs experience challenges of the same type or severity. For instance, some individuals have bountiful financial, human and social capital (e.g., finance, education, business contacts), whilst others, especially asylum seekers and refugees, may have limited or no resources. While immigrant entrepreneurs face the same challenges to business start-up as the mainstream entrepreneurial community, they also ensure additional and distinctive obstacles that are unique to their context. Some of the most frequently cited challenges of small immigrant owned enterprises are explored below.

- Access to finance

Access to external financing is a perennial challenge for Irish SMEs. Following the global financial crisis, the Irish banking sector became less favourable to SME (Small Medium-sized Enterprise) lending, with higher-than-average interest rates and a greater than average rejection rate for loan requests by SMEs across EU-28 countries [22]. The need for financial supports among Irish SMEs has been exacerbated by environmental challenges, including increasing energy costs, the Covid-19 pandemic, and Brexit. Immigrant owned businesses often face additional challenges over their incumbent counterparts in terms of accessing finance and credit. Flynn and colleagues' findings suggest that ethnic-minority SMEs (ESMEs) in Ireland experience a higher refusal rate for bank loans compared with the general SME population [23]. ESMEs perceived the biggest barriers to external funding to be the interest rates, the bureaucratic process, fees

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<sup>2</sup> A sample that comprised of 159, 919 Irish companies for which Moody's Orbis Corporate Database has data.

and commissions, the burden of terms and conditions, followed by the necessity for collateral to secure a loan [23].

- Access to mainstream business networks

A disconnection from mainstream business networks and an overreliance on ethnic/immigrant networks can stifle the growth of small immigrant owned enterprises. Some studies of ethnic minority businesses in the UK have highlighted the overreliance of immigrant owned enterprises on ethnic/immigrant networks of employees, suppliers, and customers [24, 25], and this feature is also common in Ireland. Whilst there can be many positive aspects to an immigrant entrepreneur's dependence on co-ethnic networks (e.g., having a shared language and cultural understanding), an overdependence can stifle opportunities to grow the business and tap into the mainstream market. In Ireland, there is an under-representation of immigrant entrepreneurs in mainstream business networks (e.g., Chambers of Commerce, trade associations) which can be attributed, in part, to a lack of awareness around such networks among immigrant business communities [26].

- Exclusive focus on immigrant markets

Although many immigrant-owned enterprises target broader markets, some immigrant entrepreneurs are oriented, at least initially, towards meeting demand for products or services connected to their country of origin [27]. This demand usually emerges from sufficiently large numbers of specific immigrant communities that are spatially concentrated in urban areas [28]. The advantage for the immigrant entrepreneur is having a niche and captive market, but to grow the business, an immigrant entrepreneur must break out of this market to expand their consumer base or face diminishing returns as a result of changes in demand (i.e. spatial dispersion of immigrant community) or the introduction of mainstream competitors to the market [28].

- Concentration in marginal economic sectors

Given their disadvantage relative to incumbent firms, immigrant owned enterprises may have little option but to insert themselves *“into whatever crevices of market space are available after a host of structural obstacles have been side-stepped”* [29]. Those with low skill levels are usually confined to industries with high competitiveness, low entry requirements and low yielding returns (e.g. take-aways, beauty services) [28]. Such sectors are often less resilient against environmental shocks and are in greater need of targeted business supports [1, 13].

- Skill gaps

Studies show that a certain level of education, local language fluency and cultural skills are necessary for immigrant entrepreneurs to exploit opportunities and grow their businesses [30, 31]. Previous reports on immigrant entrepreneurship in Ireland have highlighted the need for upskilling and training provision in areas such as business planning, sales, marketing, financial management and digital business [26, 32].



- Lack of familiarity with regulatory framework

Navigating an unfamiliar regulatory environment can be a serious challenge for immigrant entrepreneurs. Understanding and complying with business administrative procedures (e.g. company registration, taxation) can be particularly onerous for immigrant entrepreneurs due to their unfamiliarity with the institutional environment. This can be compounded by language difficulties and missing credentials that may be needed for the acquisition of operating licences [1].

- Societal hostility

Hostility from members of the host country towards members of immigrant communities can be another major challenge experienced by immigrant entrepreneurs. In the EU, six in ten people report that discrimination due to ethnic origin (60%) or skin colour (61%) is widespread in their country [33]. Ireland is also among the EU countries with the highest rates of harassment experienced by immigrants and descendants of immigrants from Sub-Saharan Africa (44%) [34]. Immigrant entrepreneurs may experience discrimination in their dealings with customers and suppliers, securing finance from institutional lenders, leasing business premises, and establishing their legitimacy within wider society.

These distinctive challenges exist for immigrant entrepreneurs in addition to the normal challenges of starting a business in terms of finding customers and making it financially viable that applies to all entrepreneurs. However, policymakers and enterprise support agencies have frequently failed to recognise that a 'one-size-fits-all' approach is not suitable for immigrant entrepreneurs, thereby failing to recognise also the need for customised supports that have been tailored to the specific challenges and needs of immigrant entrepreneurs.

## 5. Research findings

This section will now discuss the results of a survey study of 202 non-Irish participants interested in starting a business or who are or were in business which was undertaken over 6 months across 2022 and 2023. This survey was designed to capture data on business characteristics (e.g., size, sector, market focus) and also on owner characteristics (e.g., motives, challenges). The respondents of the study comprised 120 business (co-) owners and 82 potential business owners. A higher proportion of women than men answered the survey (68% vs. 32%) and the breakdown of nationalities were as follows: Africa (57%), Asia (24%), EU (13%) and rest of Europe (5%). An earlier iteration of this study entitled *A Mapping of Ethnic Entrepreneurship in Ireland* [32] was published in 2008. The purpose of the present study was to determine any major trends or developments in immigrant entrepreneurship in the 15-year period since the original study was published. The findings from an analysis of the survey results are discussed below.

## 6. Business characteristics

The analysis of the data enabled a profiling of the businesses to be undertaken and the following are the key results.

## 6.1 Form of ownership

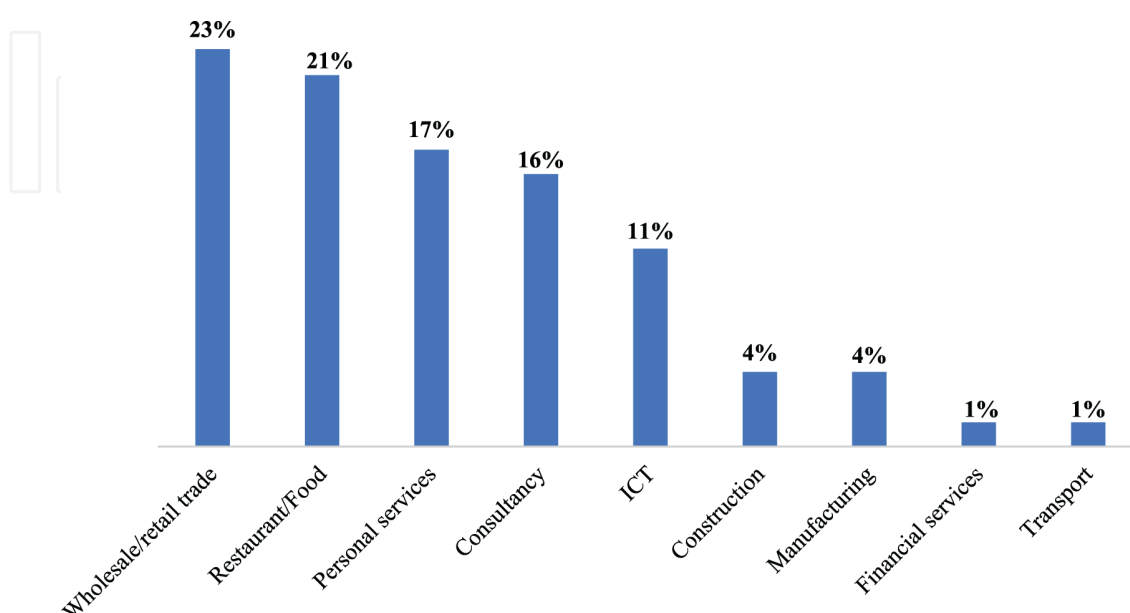
Over half of respondents (60%) reported to be sole owners of their business. About a third of respondents (32%) reported to have limited company ownership, whilst 8% of respondents reported to have company partnerships. These findings are consistent with the report from 2008, suggesting the strong prevalence of sole owners among immigrant entrepreneurs in Ireland. Given that entrepreneurial teams are not very common in business start-ups, there is little evidence of it happening among immigrant entrepreneurs.

## 6.2 Age of business

The majority of respondents (62%) reported owning or co-owning a business that was aged 4 years or less, with 12% of those described as having a newly established business (less than 1 year). The remaining 38% reported to have a business aged 5 years or more, which is over four times higher than the equivalent figure of 9% reported in the 2008 survey. This might be indicative of the ageing profile of immigrant-owned businesses in 2022, compared with 2008 when mass immigration was still a relatively recent phenomenon. It may also reflect that immigrant businesses are surviving for longer periods than experienced in the past.

## 6.3 Industry of business

The immigrant-owned businesses of this study are reported to operate across a range of industries, as shown in **Figure 1**. The wholesale/retail trade sector has the highest concentration of businesses at 23%, followed closely behind by the restaurant and food sector at 21%. Next comes the personal services sector (e.g. hairdressing, cleaning) at 17%, followed by consultancy (16%) and ICT sector at 11%. The remainder comprises businesses located in the construction (4%), manufacturing (4%), financial services (1%), transport industries (1%) and others (2%). This profile of



**Figure 1.**  
Industry of business.

industries deviates from the 2008 survey which showed the ICT sector as having the highest share of businesses (18%), followed by restaurant/food (15%) and wholesale/retail sectors (16%).

#### 6.4 Size (as measured by employee number and turnover)

The first measure of the size of immigrant owned businesses is the number of workers in employment. In respect of full-time employees, 60% of respondents reported to have none. A further 31% report to employ 1 to 5 full-time staff, dropping to 4% for 6 to 10 full-time staff. This leaves only 5% of the sample employing 11 or more full-time workers. This highlights the micro nature of the enterprises and how very few of them have grown to become even a small business employing more than 10 people.

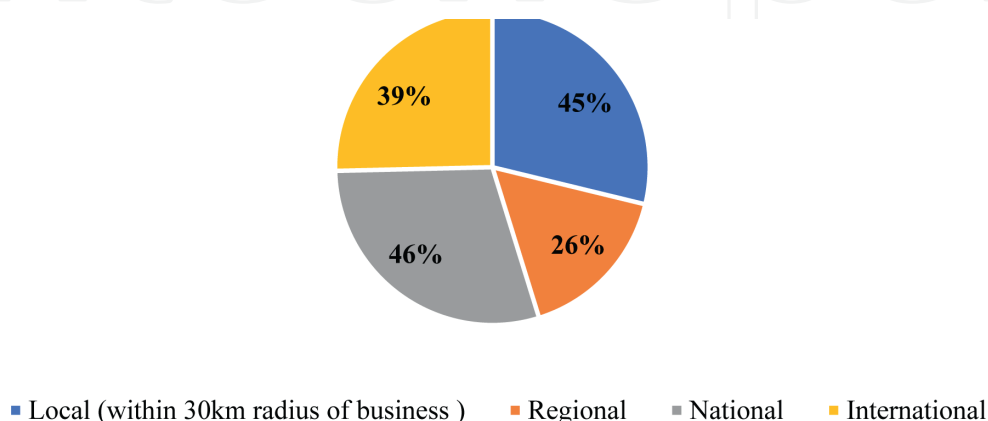
The second measure of the size of immigrant owned businesses is the sales turnover in the last 12 months. Approximately 69% of surveyed businesses generate less than 50,000 euro in sales revenue over the last 12 months. This fell to 15% in the 50,000 to 100,000 euro category and to 8% in the 101,001 to 500,000 category. Only 4% of businesses surveyed generate revenues of 501,001–1 million euro and the same for those over 1 million euro. Similar to the 2008 survey, this profile highlights the prevalence of micro immigrant-owned businesses in Ireland.

#### 6.5 Market focus

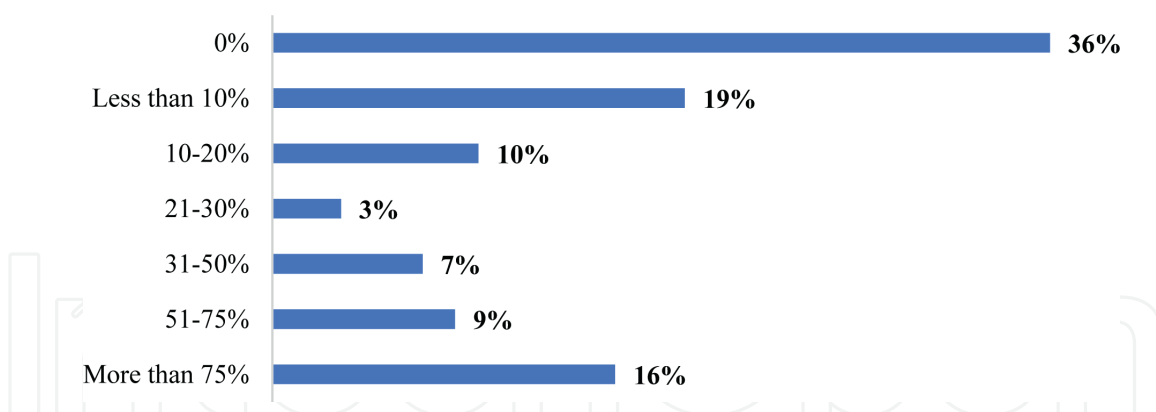
Immigrant businesses surveyed for this study are spread across local, regional, national and international business markets. The breakdown of these markets is provided in **Figure 2**. The majority of businesses (46%) operate on a national level, followed by local level (45%) and international level (39%). The smallest subset comprised of those businesses with a regional focus (26%).

#### 6.6 International customer base

The international customer base was determined through the percentage of annual turnover generated from customers located outside of Ireland. From **Figure 3**, it can be seen that the majority (64%) generate at least some revenue abroad. For a quarter of the sample over half of annual revenue is generated outside the Irish market. For these businesses, the international market can be



**Figure 2.**  
*Business markets served.*



**Figure 3.**  
Annual revenue generated by international customers.

Statement	Yes (%)	No (%)
Source products from your country of birth	33	67
Export products to your country of birth	15	85
Provide services in your country of birth	26	74

**Table 2.**  
Business activity with country of birth.

considered their primary focus. It should also be noted that some businesses are securing some revenue from abroad why not seeing themselves as operating in the international market (difference between 39% with international level focus and 64% generating revenue from abroad). This may be happening due to online sales activity or because the immigrant entrepreneur does not realise that they have significant potential markets abroad.

### 6.7 Business relations with country of birth

To establish the business relations with an entrepreneur’s country of birth, respondents were asked whether they sourced products from said country, exported products to said country, or provided services in said country. **Table 2** shows that immigrant entrepreneurs of this sample are most inclined to source products from their country of birth (33%) and least inclined to export products to their country of birth (15%). Policymakers are commonly seeking to grow export activity and the ability of immigrant entrepreneurs to export to their country of origin is relatively untapped.

The review of the business characteristics has once again highlighted the low level of revenue and employees among immigrant-owned businesses in Ireland. To help understand why this trend might be happening, a detailed analysis of the characteristics of the owners was undertaken.

## 7. Owner characteristics

The analysis of the owner characteristics sought to identify the nature of immigrant entrepreneurs and how they might be most effectively supported to start and grow a business. The following are the key results from this analysis.

## 7.1 Status in Ireland prior to business ownership

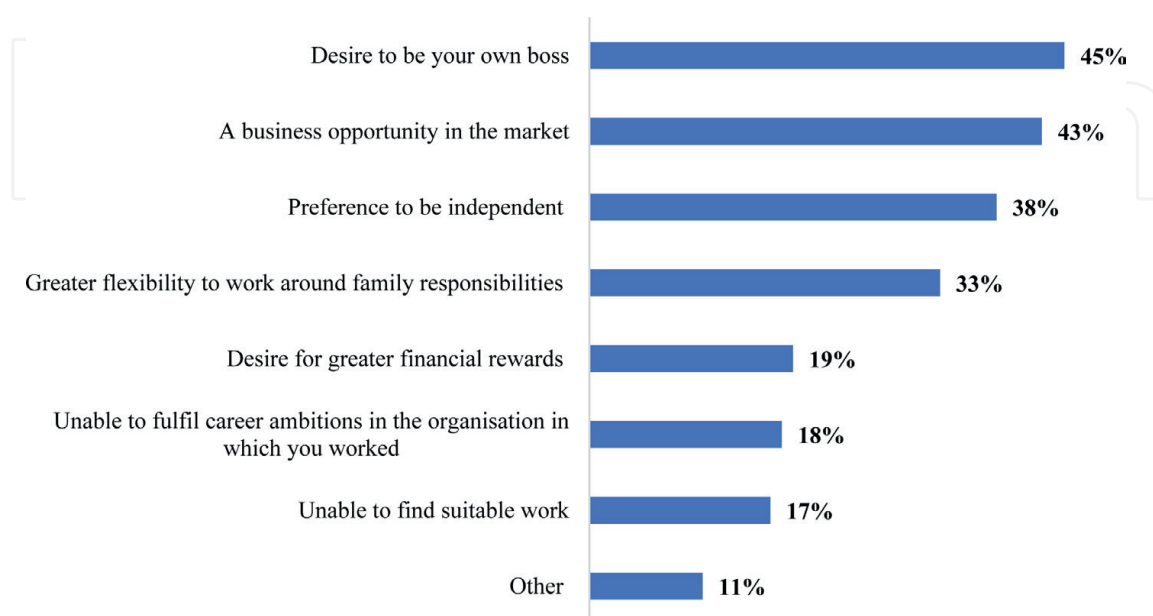
The majority of immigrant entrepreneurs (44%) were employees of a firm prior to setting up their own business. A further 28% reported having always been self-employed since arriving in Ireland. This figure is a significant increase on 4% reported in the 2008 survey. This may suggest an increased interest in Ireland as a start-up location for immigrant entrepreneurs or perhaps signal an improvement in start-up supports and incentives within Ireland since 2008. Of the remaining sample, 12% report being a full-time student, 9% report as unemployed, and 7% report being a participant on a training programme prior to business ownership.

## 7.2 Causal factors for starting a business

Respondents were asked to choose the most relevant factors (listed in **Figure 4** below) that drove their decision to start a business. They could also specify any additional motives that were not listed. The majority of the sample could be described as opportunity-driven entrepreneurs, with the top three “pull” factors reported as a desire to be your own boss (45%), a business opportunity in the market (43%), and preference to be independent (38%). Interestingly, greater flexibility to work around family responsibilities was a factor for 33% of the sample. “Push” factors like ‘unable to fulfil career ambitions in the organisation in which you worked’ and ‘unable to find suitable work’ accounted for 18% and 17% of the sample respectively.

## 7.3 Main challenges

Respondents to the survey were asked to choose up to three main challenges (listed in **Figure 5**) facing non-Irish business owners in Ireland today. The main challenge reported by immigrant business owners was the lack of familiarity with Irish business laws and Irish business regulations at 44%. For a third of the sample (34%), there were concerns over having no business contacts in Ireland and in obtaining support from state



**Figure 4.**  
*Causal factors of immigrant entrepreneurship in Ireland.*



**Figure 5.**  
*Main challenges of self-employment.*

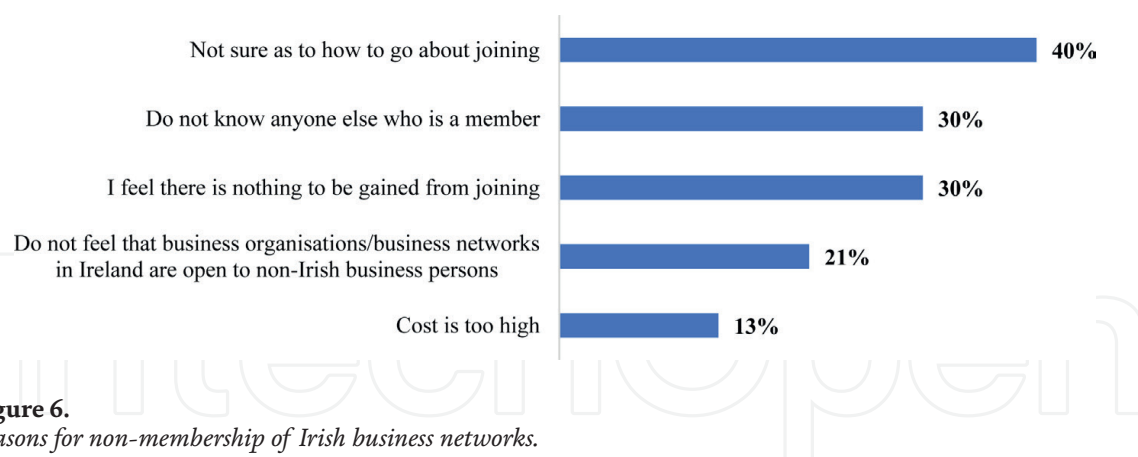
enterprise agencies, like Local Enterprise Offices. Discrimination by Irish society was reported as a challenge by 30% of respondents to the survey. The impact of Covid-19 on businesses was also deemed relevant, though only 22% of the sample reported this as a challenge. Language barriers (16%) and low levels of general and financial management skills (10%) were the least significant challenges of self-employment.

#### 7.4 Access to finance

Of the 39% of respondents who approached a government agency, just over half were successful in obtaining finance. A higher success rate of 57% was found among those who approached a bank or building society. Interestingly, this success rate had dropped considerably from 78% reported in the 2008 profile. The highest success rates were business acquaintances (78%), family and relatives (96%) and peer-to-peer lending (100%), but it should be noted that this last option was sought by only 5% of the overall sample. The full breakdown is available in **Table 3** below.

	% of respondents who attempted to secure financial backing (%)	Success Rate in securing financial backing (of those who made an attempt to secure financial backing) (%)
Bank/Building Society	34	57
Credit Union	15	46
Government Agency	39	52
Family/relatives	27	95
Business acquaintances	11	78
Peer-to-peer lending	5	100
Angel Investor finance	10	50
Venture capital funds	2	0
Crowdfunding	6	20

**Table 3.**  
*Access to Finance.*



**Figure 6.**  
Reasons for non-membership of Irish business networks.

## 7.5 Mainstream business networks

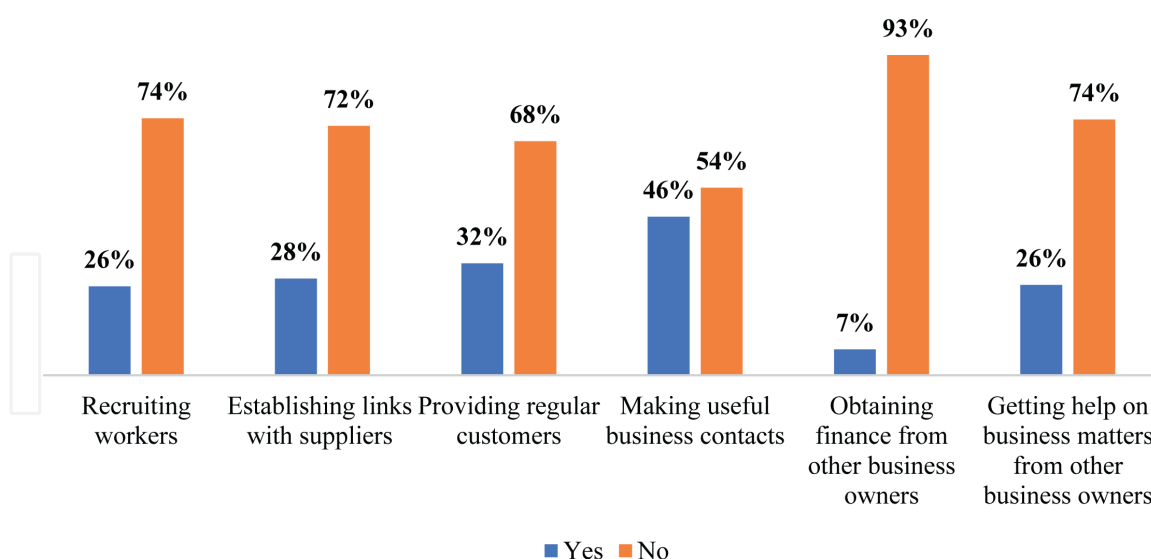
Only 27% of respondents reported to be members of Irish business networks, meaning that the majority (73%) are not involved in any Irish business representative body. Those who hold membership in an Irish business organisation or network has more than doubled since 2008 (11%). In terms of reasons for not seeking membership, the majority of respondents (40%) cited a lack of awareness on how to join a business network. For almost a third of respondents, non-membership is attributed to not knowing anyone else who is a member. The benefits of membership are not apparent to almost a third of respondents. See **Figure 6** for a full breakdown of the reasons for non-membership of an Irish business network.

## 7.6 Embeddedness in immigrant community

The survey sought to establish the extent to which support is offered by immigrant communities to the participants, as well as the nature of such support. Respondents were first asked whether they held membership in any immigrant business organisation or network, to which 20% answered 'Yes' and 80% answered 'No'. Respondents were then asked if their immigrant community was useful to their business in any of the ways listed (see **Figure 7**). Overall, the majority of participants were not in receipt of any of the listed supports from their immigrant community. Making useful business contacts was the most highly cited source of support (46%), followed by the provision of regular customers at 32%. In a separate question, it was determined that a vast majority of respondents include among their customer base at least some of their immigrant community, with a third of the sample claiming their immigrant customer base to be above 25%.

Non-business respondents to the survey were asked whether they believed that good opportunities existed for starting up a business in their local area to which 76% answered 'Yes' and 24% answered 'No'. Respondents were then asked to reflect on their own entrepreneurial readiness. As **Table 4** shows, the majority of respondents believe that they have the knowledge and skills to start a new business (76%) with a slightly smaller percentage aiming to start their own business in Ireland within the next 3 years (68%).

What is clearly evident from the analysis of the data is the disconnect between the immigrant business community and the mainstream business community. There is little knowledge of existing enterprise supports, limited membership of business associations, poor knowledge of business laws, and a significant lack issue of trust. Combined, these factors help explain why immigrant-owned businesses are struggling to start and grow in Ireland.



**Figure 7.**  
*Support from immigrant community.*

	Yes (%)	No (%)
Do you think that you have the knowledge and skills required to start a new business in Ireland?	76	24
Is it your aim to start up your own business in Ireland within the next 3 years?	68	32
Are you aware of the availability of training programmes in Ireland designed specifically for people to start a business?	50	50

**Table 4.**  
*Entrepreneurial readiness of non-business owners.*

## 8. Discussion and recommendations

Based on the sample of 202 non-Irish participants who contributed to this study, a number of inferences can be offered. First, the business owners among the sample have enterprises that are predominantly small in size (i.e. sole trader or micro enterprises), young (62% reported their business as aged 4 years or under), and concentrated in lower value sectors such as wholesale/retail trade, restaurant and food trade, and personal services. The majority of these businesses exhibit a low level of turnover and are local or national in their customer market focus. This perhaps signifies the high level of competitiveness or low growth prospects of which these businesses face, and the greater need for state intervention to protect and sustain such businesses through environmental shocks (e.g. rising energy costs). It might also highlight the need for the Irish government to implement financial schemes that direct immigrant entrepreneurs away from sectors characterised by high competitiveness, over-supply, and limited growth opportunities.

Second, the businesses among this sample were surprisingly international given their small operational size. Almost 40% reported to have an international customer market focus, plus for a quarter of the sample over half of their annual revenue is generated outside the Irish market. Government-backed schemes may help these businesses to increase their overseas sales and strengthen their foothold in international markets. One third of the sample imported products from their country



of birth, though this dropped to 15% for exports to said country. This shows that entrepreneurial ties to one's country of origin [16] is a notable feature of a portion of immigrant-owned enterprises in Ireland. State enterprise agencies, training providers and business networks should be cognizant that these international trading ties may exist when advising and coaching this entrepreneurial community.

Third, the business owners of this sample are predominantly opportunity-driven entrepreneurs, with 44% in employment before starting a business and 28% having always been self-employed since arriving in Ireland. Push factors like unemployment or inability to fulfil career ambitions in paid employment were cited less by the entrepreneurs of this sample. Nonetheless, it is important to iterate that entrepreneurship should be a desirable option for people, whose readiness and proclivity is apparent, rather than a panacea to limited or low-prospect options in the labour market.

Fourth, the main challenges for business owners cited in the study indicate the need for greater supports. Lack of familiarity with Irish business laws and Irish business regulations, in particular, can be partially redressed through clearer signposting of the procedures and processes involved in starting a business. Providing immigrant entrepreneurs with administrative support (e.g. complying with regulations, applying for a start-up visa) and making regulatory requirements available in multiple languages are some approaches that could be taken to support this cohort. Gaining the trust and acceptance of Irish business suppliers and customers was the next biggest challenge. This highlights the need for greater cultural awareness of immigrant entrepreneurship and of the need for enhanced integration of immigrant business owners into mainstream business networks and wider society. Securing finance from banks and building societies was the third biggest challenge cited. For business owners with domestically traded businesses, which comprise a majority of this sample, it can be particularly challenging to secure government grants, which generally favour export-led high-potential start-ups. Microfinance Ireland, established under the government's microenterprise loan fund, caters to underrepresented cohorts of small business owners, with ethnic-minority SMEs accounting for 19% of all loans approved [23]. Greater awareness of this microfinancing option, and its criteria, should be targeted at the immigrant business community.

Fifth, although a majority of respondents were not involved in an Irish business representative body, the membership of those who were has more than doubled from the 2008 study. For those who are unsure of how to join (40%) or feel there is nothing to be gained from joining (30%), endorsement of business network membership, and greater awareness of the process for membership should be communicated by business networks, business coaching programmes and local enterprise offices. Communications should not only be targeted through mainstream media, but also through community-based media in appropriate languages. Further, the over-dependence of immigrant entrepreneurs on their own immigrant community for business support was not evident from the data. Less than a third of businesses rely on their immigrant community for regular custom and close to a quarter recruit labour from their immigrant community. In terms of customer base composition, a third of the sample claim that their immigrant customer base is above 25%, meaning two-thirds are much more dependent on the mainstream customer market. For those businesses with a high dependency on their immigrant community, financial schemes and business training supports could be used to broaden their customer reach and pool of suppliers. Membership of mainstream business networks will also help to redress an immigrant entrepreneur's overreliance on their immigrant community for making business contacts.

Sixth, the majority of non-business respondents to the survey believe there are good business opportunities in their local area (76%) and aim to start up a business in the next 3 years (68%). This cohort of aspiring entrepreneurs should be plugged into the mainstream network of enterprise training and supports. Further, only half of respondents are aware of the availability of Start-Your-Own-Business programmes. Greater awareness of existing programmes, including tailored offerings, such as those provided by TU Dublin, should be communicated widely through community-based media and social media for immigrants, refugees and asylum seekers. Further, entrepreneurship should be included in integration programmes for migrants as a means of creating awareness around the alternatives to paid employment [35].

What is perhaps most interesting about the findings is that many of the obstacles experienced by immigrant entrepreneurs could be reduced through better communication. Promotional activity and information are not expensive and simply requires a commitment by various Irish government bodies, enterprise support agencies, and business network organisations to reach out to immigrant communities through their media and network channels. Traditional channels of communication are not appropriate if seeking to reach immigrant communities, and new channels need to be embraced.

## **9. Conclusion**

Ireland is a country with a long tradition of mass emigration. In recent decades, it has seen a reversal of this phenomenon with mass immigration of returning emigrants, as well as people who arrive from around the world to these island shores. The increasing multiculturalism of Ireland contributes to its rich tapestry of social, cultural and economic life. A contribution to Ireland's economic lifeblood is the enterprising behaviour of immigrants that results in new businesses, products or services to cities, towns and regions across this country.

Nonetheless, like 70% of EU member states, Ireland counts immigrants among its missing entrepreneurs. This untapped potential has yet to be realised. Consistently, immigrants have shown to be more entrepreneurial than the native population [15], with 68% of participants of the current study aiming to set up a business in the next 3 years. The appetite for new business creation is evident among immigrants, but major structural obstacles still persist. Issues around accessing finance, becoming familiarised with Irish business laws and regulations, and gaining the trust of Irish customers and suppliers are impediments cited by the entrepreneurs of this study.

Importantly, there are a number of recommendations and calls for action that have been identified to support current and aspiring immigrant entrepreneurs. More cultural awareness of immigrant owned enterprises is required not only to broaden the pool of suppliers and expand customer reach, but to provide role models to aspiring entrepreneurs. Communication and marketing of both mainstream and tailored business networks, training supports and schemes needs to be targeted towards immigrant communities. Furthermore, the enterprise ecosystem (e.g. mainstream business networks, enterprise agencies, funding agencies and business training providers) should adopt a tailored approach to the level, timescale and kinds of supports offered to immigrant-owned businesses. This reflects not just the additional and unique challenges immigrant entrepreneurs may experience relative to mainstream entrepreneurs, but also the varying degrees of support required by this diverse, heterogenous population.

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## **Conflict of interest**

The authors declare no conflict of interest.


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