

Study finds refugee entrepreneurship has significant economic benefit

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More than 60 new refugee-run businesses have emerged from the program.
Credit: Pixabay CC0

Refugee entrepreneurs have the potential to make a significant economic contribution, with a new study of a pilot start-ups program showing their ability to generate jobs, tax revenue and a significant reduction in welfare support.

A study of the Ignite Small Business Start-ups Program by UTS Business

School Professor Jock Collins identified savings of \$880,000 a year in Centrelink benefits among a group of 35 [refugee](#) entrepreneurs who took part in the research.

In addition, the Ignite entrepreneurs had created 20 jobs and those who had achieved profitability were generating tax revenue.

With 66 entrepreneurs having now emerged from the [program](#), these numbers would be higher again.

Professor Collins' report, From Refugee to Entrepreneur in Three Years, was launched by the Assistant Minister for Industry, Innovation and Science, the Hon Craig Laundy MP, at Parliament House in Canberra today.

The Ignite Small Business Start-ups Program is an initiative of humanitarian organisation Settlement Services International (SSI), which last night won the Settlement Innovation category of the Australian Migration Settlement Awards for this and other programs.

Ignite was launched in 2013 to help newly arrived humanitarian migrants or refugees set up businesses with the guidance of facilitators.

Most of the pilot program participants came from Iran (87), Iraq (34) and Syria (23), though refugees from 30 countries and 27 different first languages took part in the pilot. Most live in western and south-western Sydney.

Overall, of the 240 SSI refugee clients accepted into the Ignite program 25 per cent were now running their own enterprise, the study found – an admirable success rate considering the substantial barriers refugees faced, Professor Collins said.

"At first glance refugees are the most unlikely entrepreneurs. They lack capital to start up a [business](#), they have no credit history, no assets or security. In many instances their educational qualifications are not recognised and they have no social networks," he said.

SSI CEO Violet Roumeliotis said it was not because of a lack of passion, a business idea or commitment and ability that other Ignite clients had not set up a business.

"Rather, the constraint was the time of the enterprise facilitators. With more resources for the program to hire additional enterprise facilitators the success rate would have been much higher," she said.

SSI now plans to expand the model to support entrepreneurs with disability through a new pilot program, Ignite Ability.

At the same time, Professor Collins and collaborator Professor Simon Darcy have begun an Australian Research Council-funded project looking at entrepreneurship among people with a disability.

Professor Collins said there was international interest in the Ignite program, given the unprecedented movement of refugees in the past few years.

"New innovative solutions to the challenges of refugee economic engagement and settlement need to be made," he said. "The Ignite start-ups initiative is evidence-based policy innovation that can be applied across Australia and refugee resettlement nations across the world."

Provided by University of Technology, Sydney

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