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A Mapping of Ethnic Entrepreneurship in Ireland

by Thomas M. Cooney and Anthony Flynn

Enterprise Ireland

Dublin Institute of Technology
Institiúid Teicneolaíochta Átha Cliath
D·I·T

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EXECUTIVE SUMMARY

The research findings presented in this report represent the first major attempt to map in a systematic fashion ethnic entrepreneurial activity in Ireland. The rapid transformation of the demographic profile of Ireland in this decade through unprecedented levels of immigration has stimulated debate on the economic and social policy implications of the new multi-racial Ireland. One facet to this policy debate is the potential for non-Irish nationals to bolster indigenous business activity. It was the aim of this research to capture the essential nature of ethnic entrepreneurship in Ireland in 2008 with a view to better informing policy formulation as it concerns ethnic business activity.

Two research objectives dictated the scope of this study. The first objective was to determine the rate of business ownership among the main foreign national ethnic groups in Ireland. From a nationwide survey of 1,108 foreign nationals resident in Ireland it was found that 12.6% claim ownership or part ownership of a business. This is consistent with the rate of ethnic business ownership of other immigrant countries. The second research objective involved mapping ethnic entrepreneurial activity in Ireland in 2008. This was undertaken by reference to the characteristics of ethnic businesses and their owners, the challenges facing ethnic businesses in Ireland, and their interaction with the Irish business environment. A profile of ethnic businesses that are small in scale, young in age, concentrated in the locally traded services sectors and operating at the margins of the mainstream economic environment emerges from this mapping of ethnic entrepreneurship in Ireland. Ethnic entrepreneurship in Ireland in 2008 in its scale and industry focus is comparable to international experience of ethnic entrepreneurship.

Following from the survey results and focus group input, policy implications in the domain of enterprise support for ethnic business are presented. Mainly, the report contends that a policy of targeted intervention for fledgling ethnic enterprises followed by the mainstreaming of enterprise support for established ethnic enterprises will be most

effective in an Irish context. The underlying rationale of this position is to offer tailored business assistance to ethnic enterprise to a point that corrects for the disadvantages of ethnic minority status without compromising on the fundamental economic principle that the market should act as the ultimate arbiter of which businesses succeed and which businesses fail. Three recommendations are made that will appreciably impact on the promotion of ethnic businesses in Ireland if pursued. These recommendations involve raising awareness among the ethnic communities of the availability to them of bespoke business training programmes, developing a 'one-stop-shop' website aimed at aspiring ethnic entrepreneurs in Ireland, and fostering enhanced linkages between Irish business representative bodies and the ethnic business communities.

A consistent finding in academic literature on ethnic businesses is their low propensity to use mainstream business support agencies, often relying instead on self-help and informal sources of assistance. Barriers to the take-up of support include: identifying and reaching marginalized groups, the inappropriateness of product-orientated approaches, doubts over the relevance of what is offered, and a lack of trust and confidence in those delivering support. The extent to which the support needs of ethnic businesses are distinctive in comparison with those of 'normal' firms is also a key question. Although many of the support needs of ethnic businesses are shared with their majority counterparts, there are also specific issues that include language, religious, age, and gender aspects, and these have implications for the way business support is delivered if it is to be effective. An important part of this context is the relationship with external agencies crucial to small firm development. In attempting to assist with these and other problems, mainstream business support agencies can appear to be major obstacles themselves, a situation that seems endemic to the growing 'enterprise industry'. This report addresses these issues and offers solutions to the challenges that all stakeholders face in terms of engendering ethnic entrepreneurship.

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INTRODUCTION

Migration inflows from less developed to developed first world countries are resulting in more Western societies being increasingly constituted of a kaleidoscope of nationalities, ethnicities and cultures. Against this backdrop increasing attention is being directed by state policy makers and academics towards the economic and social activities of migrants and their varying roles in the labour markets of host countries. While migration is primarily associated with filling labour and skills shortages in the domestic labour market, there is a growing awareness of the important role that migrants play in the establishment of small business enterprises. Research from across Britain, Continental Europe, the United States, Canada and Australia has documented the prevalence of enterprise start-ups among ethnic minority groups and the contribution that such ethnic entrepreneurial activity can make to national economic growth. This ethnic entrepreneurial activity is now a contemporary feature of the economic and social fabric of many Western societies.

The unprecedented demographic change that Ireland has undergone in recent years has made ethnic entrepreneurial activity now an area of policy interest. As foreign nationals currently constitute approximately 11% of the Irish population, it is to be expected that their presence will increasingly come to be felt in terms of enterprise ownership. The pattern of immigrant settlement in other developed economies is one in which foreign nationals are, on the whole, as likely as indigenous nationals to pursue business opportunities as a means of self-employment. Certainly Ireland has been for many years an attractive economic and social climate for foreign nationals to start a business. Entrepreneurial endeavour is actively encouraged in both policy and practice, with entrepreneurship inextricably linked to the prevailing market-based economic philosophy. Promoting entrepreneurial activity from within an ethnic population that is new to Ireland is therefore consonant with the overarching national prerogative of ensuring greater economic self-reliance through indigenous business activity.

In reviewing migration policy in Ireland, the National Economic and Social Council (NESC) states that uncertainty pervades the economic and social effects of immigration into Ireland [i]. This is certainly the case in our understanding of business creation within the foreign national communities in Ireland. To date, no comprehensive survey of entrepreneurial activity among ethnic minority groups in Ireland has been undertaken. As such, there is an outstanding knowledge deficit in relation to the extent of ethnic entrepreneurial activity in Ireland, the scale and scope of ethnic entrepreneurial activity, the challenges unique to ethnic entrepreneurs in Ireland and their current and potential future contribution to the Irish economy. It is this knowledge deficit regarding ethnic entrepreneurship in Ireland that is addressed here. By undertaking a nationwide survey of 1,108 non-Irish nationals this research offers comprehensive data on the extent and nature of ethnic entrepreneurial activity in Ireland in 2008. This data will help to inform enterprise policy as it relates to ethnic business activity specifically and further understanding of ethnic entrepreneurship in developed economies generally.

The structure of the report is as follows. In Chapter One a detailed analysis of Census 2006 data on foreign nationals resident in Ireland is undertaken. In order to engage with the ethnic entrepreneurship phenomenon it is necessary to first identify the underlying composition and demographic characteristics of the foreign national population in Ireland. Chapter Two provides a broad overview of previous studies and scholarly contributions in the field of ethnic entrepreneurship internationally. Particular attention is paid in this chapter to the challenges peculiar to foreign nationals starting and managing a business. It is on the basis of foregoing international studies on ethnic entrepreneurship that the research themes for this report are decided upon.

The results from a nationwide survey of 1,108 non-Irish nationals living in Ireland are the focus of Chapter Three. Firstly, on the basis of the nationwide survey a determination is made on the rate of business ownership among the main foreign national groups. Secondly, upon identification of non-Irish national business owners an in-depth analysis of their business operations and the role that they occupy in the Irish business environment is performed. It is these two objectives that provide the rationale for

undertaking this research on ethnic entrepreneurial activity in Ireland. Chapter Four discusses the results of the nationwide survey in the context of existing research and theory. Findings from two focus groups carried out with aspiring non-Irish national entrepreneurs and established non-Irish national entrepreneurs are used to complement the survey results. Recourse was made to focus groups in order to clarify points of interests that emerged from the survey in addition to allowing a more nuanced interpretation of the survey results. Chapter Five of the report summarises the key findings from the research and offers recommendations as to the future engagement of support agencies with non-Irish national business activity in Ireland.

CHAPTER 1: DEMOGRAPHIC PROFILE OF IRELAND 2006[1]

1.1 POPULATION PROFILE OF IRELAND, 2006

The population profile of Ireland has undergone profound change in recent years. Emerging from a long and troubled legacy of emigration resulting from economic stagnation, Ireland now plays host to migrants from within and outside the EU. Immigration into Ireland has become one of the defining economic and social features of the Celtic Tiger and post Celtic Tiger years. Over the last decade immigration has acted as a primary driver of population growth in Ireland, with this trend expected to continue into the foreseeable future [1,2]. It is estimated that approximately 11% of the population of Ireland are non-Irish nationals and rising, accounting for 419,733 of the 4,172,013 persons recorded on census night 2006 in the Irish state. The increasing racial diversity and heterogeneity of the population of Ireland bears this out.

Table 1.1: Population Profile of Ireland 2006*

Regional Groupings	Total Number of Persons	% of Total Population
1. Irish	3,706,683	88.85%
Total Non-Irish Nationals	419,733	11.15%
2. United Kingdom (UK)	112,548	2.7%
3. EU pre-2004 (excl. Ireland/UK)	42,693	1.02%
4. EU 10	120,534	2.89%
5. Rest of Europe	24,425	.58%
6. Asia	46,952	1.12%
7. Africa	35,326	.847%
8. Americas	21,124	.51%
9. Australia/New Zealand	5789	.139%
Other Nationalities/Not Stated	55,939	1.34%
Total Population of Ireland	4,172,013	100%

* (excludes current asylum seekers)

Table 1.1 provides a breakdown of the population profile of Ireland recorded in Census 2006. Irish nationals account for approximately 89% of the population of Ireland. The

[1] Unless otherwise stated, all figures and statistics are from Census 2006.

remaining 11% of the population is comprised of non-Irish nationals from 8 main regional groups. Persons from the ten EU Accession States 2004 (hereafter called EU 10) constitute the largest non-Irish group. The second largest non-Irish group is comprised of persons from the United Kingdom (UK). The other non-Irish groups in order of size are as follows: Asia, EU pre-2004 (excl. Ireland and the UK), Africa, Rest of Europe, Americas and Australia/New Zealand. Nationality was not specified or was categorised as indeterminate in the case of 55,939 persons.

1.1.1 Irish Migration Patterns (1990-2007)

Immigration into Ireland is a relatively recent phenomenon. In the period 1987-1990 Ireland experienced significant negative migration flows, with more people leaving the state that taking up residency in it. This reflected an era of depressed economic circumstances, with substantial numbers of young Irish pursuing employment opportunities abroad. From 1990 onwards Ireland began to experience a reversal in migration flows [2]. By 1996, a modest net population gain from migration of 8,000 persons was recorded. This trend of positive net migration (i.e. inward migration > outward migration) continued to gather momentum throughout the latter half of the 1990s. In the year 2000 a net migration inflow of 26,000 persons was recorded. Continuing on from this, the four year period of 2000-2004 witnessed a steady rise in net migration, reaching over 41,000 persons in 2002.

Included among the growing number of immigrants were returning members of the Irish Diaspora. In 2002, returning members of the Irish Diaspora constituted the largest immigrant group at 27,000 of a total of 66,900 immigrants. A significant proportion of immigrants were recorded as Irish nationals returning from overseas during the inter-censal period 2002-2006. However, as can be seen in Table 1.2 below, returning Irish Diaspora as a percentage of the total migration inflow has decreased significantly over the last five years. In 2002, Irish nationals accounted for 40% of all persons immigrating to Ireland. In the most recent year of record Irish nationals as a percentage of the total number of persons taking up residency in the state stands at 18%. While the absolute

number of Irish Diaspora returning has remained relatively stable over the 2002-2007 period, Irish nationals as a percentage of total immigrants entering the state has steadily declined. This can be set against the fact that the absolute number of non-Irish national immigrants increased dramatically from 2004 onwards.

Table 1.2: Returning Irish Émigré 2002-2007

	2002	**2003**	**2004**	**2005**	**2006**	**2007**
Returning Irish Diaspora	27, 000	17, 600	16, 700	18, 500	18, 900	20, 000
Total Number of Immigrants	66, 900	60, 000	58, 500	84, 600	107, 800	109, 500
Returning Irish Diaspora/Total Number of Immigrants	**40%**	**29%**	**28%**	**22%**	**17%**	**18%**

From 2004 onwards Ireland experienced immigration of a pace and magnitude unprecedented in its history. This coincided with the accession of ten new EU member states in 2004 and the simultaneous granting by Ireland of full access to the Irish labour market to citizens of these new EU members. In 2005, a total of 84,600 persons of all nationalities immigrated into the state, representing a net migration gain of over 55,000 [2]. The years 2006 and 2007 witnessed even greater levels of immigration. Over 100,000 immigrants entered the state in each of these years. It is estimated that half of all immigrants in 2006 and 2007 came from the EU Accession States. Relatedly, EU 10 nationals accounted for approximately 50% of labour force growth in Ireland from the most recent Central Statistics Office (CSO) estimates [3]. The years 2006 and 2007 also experienced an increase in the level of emigration, reflecting a return to their home countries on the part of some recent EU 10 immigrants.

Table 1.3: Ireland's Experience of Migration 2004-2007

Year	**Total Number of Immigrants**	**Total Number of Emigrants**	**Net Migration (Immigration-Emigration)**
2004	58,500	26,500	32,000
2005	84,600	29,400	55,100
2006	107,800	36,000	71,800
2007	109,500	42,200	67,300

1.1.2 Future Irish Migration Patterns

Since the inception of the Irish state, migration has had a dominant influence on population change and its influence on the population profile of Ireland is predicted to continue into the future. The extent to which migration will affect population growth remains uncertain, and is dependent on a series of factors, some of which are inter-dependent, including: future growth in the economy, demand in the labour market, domestic labour supply, the capacity of the country's infrastructure and social services to cope with high immigration levels, the availability of immigrant labour, and the potential for further return of the Irish Diaspora. In analysing the impact of future migration trends on population growth in Ireland over the next three decades, the CSO has created a series of migration scenarios [1]. For the first two migration scenarios, the recent pattern of strong immigration into Ireland continues apace over the short-medium term. A third migration scenario assumes an abrupt reversal to the immigration trends that Ireland has experienced over the last decade. These three migration scenarios are outlined below.

Migration Scenario 1

Under the first migration scenario, immigration is projected to continue at its current **high level and then moderate**. Inward migration less outward migration is predicted to average 60,000 persons per annum in the period 2006-2011 followed by 50,000 persons per annum in the period 2011-2016. Net migration is assumed to drop to 40,000 persons per annum in the period 2016-2021, before settling at an average of 30,000 persons per annum over the twenty year period 2021-2041. Overall, the average annual net inward migration figure in this scenario over the 2006-2041 time period is 39,000 persons. This is consistent with continuing strong economic performance and domestic labour market growth.

Scenario 1:	Time Period	Net Migration
	2006-2011	60,000 p.a.
	2011-2016	50,000 p.a.
	2016-2021	40,000 p.a.
	2021-2041	30,000 p.a.

Migration Scenario 2

A second scenario envisions immigration continuing, albeit at a **moderate level**. In the five year period 2006-2011, net migration of 50,000 persons per annum is anticipated. This falls to 35,000 persons per annum in the period 2011-2016 and 25,000 persons per annum over the 2016-2021 period. Over the twenty year period 2021-2041 net migration is predicted to fall to the moderate level of 10,000 persons per annum. Overall, the average annual net inward migration figure in this second scenario over the 2006-2041 time period is 21,400. This is reflective of moderate level of economic growth, lower than that associated with projected immigration rates in the first scenario.

Scenario 2:	Time Period	Net Migration
	2006-2011	50,000 p.a.
	2011-2016	35,000 p.a.
	2016-2021	25,000 p.a.
	2021-2041	10,000 p.a.

Migration Scenario 3

A third migration scenario assumes **zero net migration**. In this case annual inflows of 20,000 persons over the period 2006-2041 are offset by annual outflows of a corresponding figure. This migration scenario reflects a significant and sudden deterioration in the economic health of the country relative to the high economic growth rates of the 1996-2007 era and a sudden and substantial contraction in labour market growth. Ireland, in this case, becomes not as attractive a destination for immigrants as it has heretofore been.

1.2 NON-IRISH NATIONALITIES, 2006

The rate of immigration into Ireland increased significantly over the inter-censal period 2002-2006. In 2002, approximately 224,261 non-Irish nationals were recorded as ordinarily resident in the state. By 2006 this figure had risen to 419,733, constituting an average annual net migration of 48,000 persons in the inter-censal period 2002-2006. The pattern of immigration into Ireland has also undergone a fundamental change. The expansion of the European Union in 2004 to encompass ten new member states, eight of

whom were former Eastern Bloc states, precipitated a flow of people from the new EU member states into Ireland. Prior to their accession to the European Union persons from these states were not present in Ireland to significant degree. As of 2006, nationals from these new EU 10 member states form the largest immigrant group in Ireland, with this trend showing no sign of reversal [4].

Among non-EU nationals the rate of immigration into Ireland over the 2002-2006 inter-censal period has equally been characterised by a sharp upward trend, particularly in the case of Asian nationals. However, non-EU immigration into Ireland has not been of the same magnitude as immigration from the EU 10 states. The fact that entry into the Irish state for non-EU nationals is controlled principally explains this effect. In Table 1.4 a detailed profile of non-Irish nationals resident in the Irish state in 2006 is provided. In addition, a description of each of the eight non-Irish national groups and their position in 2006 relative to the previous 2002 census is outlined.

UK

UK nationals remain the largest non-Irish national group at 112, 548 persons. This figure represents an increase in the 103,476 UK nationals recorded in Census 2002.

EU pre-2004 (excl. Ireland and UK)

The 42,693 EU pre-2004 nationals recorded in Census 2006 is a significant increase on the previous 29,960 figure recorded in Census 2002. The number of nationals from the largest EU countries ordinarily resident in Ireland – Germany, France, Spain and Italy – increased significantly during 2002-2006. It is this increase in nationals from the four largest EU countries that primarily explains the overall rise in EU pre-2004 nationals recorded in Ireland in 2006.

EU 10

The emergence of EU 10 as the largest non-Irish regional group is the defining feature of the population profile of Ireland in 2006. From a relatively low base, the number of

nationals from the EU 10 countries increased to 120,000 persons in 2006[2]. It is this development that explains the exponential growth in immigration that Ireland has experienced in recent years. At 63,276, the number of Polish nationals surpasses the total number of nationals from the EU pre-2004 group. In Census 2002 the total number of Polish nationals recorded was only 2,124. In the space of four years Ireland has experienced a thirty-fold increase in the number of Polish nationals ordinarily resident in the state. The number of persons from Lithuania and Latvia at 24,628 and 13,319 respectively each exceed the number of German, French, Spanish and Italian nationals in Ireland. This is remarkable on account of the overall small population size of Lithuania and Latvia relative to the much larger German, French, Spanish and Italian populations.

Rest of Europe

The Rest of Europe group is comprised of 24,425 persons from European/Eurasian countries that are not members of the EU[3]. While comparison with the 2002 figure is not possible owing to the fact that the Rest of Europe group 2002 contained countries now comprising EU 10, increases in the number of Romanian, Russian and Ukranian nationals are all discernible over the 2002-2006 inter-censal period.

1.2.5. Africa

The total number of persons from Africa recorded in Census 2006 is 35,326. This represents a significant increase on the 2002 figure of 20,981. At 16,300 persons, Nigerians constitute the largest African national group in Ireland followed by South Africans at 5,432.

1.2.6. Asians

The number of Asians in Ireland more than doubled during the inter-censal period 2002-2006. In 2002, 21,779 Asians were recorded as ordinarily resident in the Irish state. In 2006, this number had reached 46,952. Behind UK nationals and the EU 10 regional

[2] From 2006 onwards the rate of immigration from EU 10 countries accelerated. The opinion is commonly held that the number of EU 10 nationals in Ireland as of 2008 is a multiple of that recorded two years previously in Census 2006.

[3] Subsequent to Census 2006 two countries from Rest of Europe census group – Romania and Bulgaria – acceded to the European Union in January 2007, thus bringing the total number of EU member states to 27.

group Asians are now the third largest non-Irish group, overtaking EU pre-2004 nationals.

Americas

The Americas category, like all non-Irish national categories, experienced a growth in numbers of persons ordinarily resident in Ireland over 2002-2006. In 2002 the number of persons from the Americas stood at 15,383, with approximately two thirds of this total made up of US citizens. At 2006, the figure for the Americas group was 21,124. Citizens of the USA still constitute the dominant nationality. Also of note is the increased number of Brazilian nationals in Ireland. From just over 1,000 persons in 2002, there are over 4,000 Brazilians in Ireland as of 2006. This has elevated Brazilians to the second largest national grouping ahead of Canadians but behind citizens of the USA in the Americas regional group.

Australia/New Zealand

The figure of 5,789 Australians and New Zealanders in Ireland in 2006 is marginally above the 5,343 figure recorded in Census 2006. These two nationalities in combination are the only category that did not exhibit a significant increase in its presence over the years 2002-2006.

An analysis of Table 1.4 identifies some interesting detail that would not have been envisaged in Ireland just over a decade ago. While the UK remains the number one country of origin for non-Irish nationals, that Poland, Lithuania, Nigeria and Latvia are the next most popular countries of origin is certainly a new twist to the Irish population profile. Anecdotal evidence suggests that the flow of people from these countries has slowed with the decline in Irish economic growth, and that many Eastern Europeans in particular are returning to their home countries where their economies are offering greater job opportunity than experienced in recent times. However, the composition of the Irish population has changed forever and the transition to a heterogeneous is unlikely to be reversed.

Table 1.4: Profile of Non-Irish Nationals 2006

UK	EU pre-2004		EU 10		Rest of Europe		Africa		Asia		Americas		Australia/NZ	
	Germany	10,289	Poland	63,276	Romania	7,696	Nigeria	16,300	China	11,161	USA	12,475	Australia	4.033
	France	9,046	Lithuania	24,628	Russia	4,495	South		Philippines	9,548	Brazil	4,388	New	
	Italy	6,190	Latvia	13,319	Ukraine	3,122	Africa	5,432	India	8,460	Canada	2,343	Zealand	1,756
	Spain	6,052	Slovakia	8,111	Other	9,112	Other	13,594	Pakistan	4,998	Other	1,918		
	Netherlands	3,990	Czech	5,159					Malaysia	2,979				
	Portugal	1,798	Rep.						Other	9,806				
	Sweden	1,742	Hungary	3,440										
	Finland	926	Estonia	2,272										
	Belgium	910	Malta	139										
	Denmark	729	Slovenia	130										
	Austria	583	Cyprus	60										
	Greece	412												
	Luxembourg	26												
112,548		42,693		120,534		24,425		35,326		46,952		21,124		5789

Source: CSO (2006)

1.3 DEMOGRAPHIC CHARACTERISTICS OF NON-IRISH NATIONALS, 2006

While the previous section detailed the absolute numbers in the different non-Irish national groups, this section will examine the demographic characteristics of non-Irish nationals within each of these groups. Demographic comparisons will be made between Irish and non-Irish national groups, as well between the eight main non-Irish national groups, as this will assist in building a clear profile of the ethnic communities that work and live among the indigenous Irish population.

1.3.1 Age Profile of Non-Irish Nationals

Some interesting differences are immediately observable in the age profile of Irish nationals compared to non-Irish nationals (Table 1.5). In all, non-Irish nationals are younger than their indigenous counterparts. The extent of this age differential varies across the non-Irish national groups. In the case of UK nationals there is little observable difference from Irish nationals. However, a young age profile is particularly pronounced in the case of EU 10 nationals. A more detailed exposition of the age profile of non-Irish nationals is provided below.

<u>UK Nationals</u>

The age profile of persons from the United Kingdom resident in Ireland is not dissimilar to that of Irish nationals. The percentage of UK nationals that fall within the two youngest age brackets is 13.91% and 10.15% respectively. This can be compared with corresponding percentages for the Irish population of 21.51% and 14.48% respectively. 39.33% of UK nationals are in the 25-44 age cohort, which is higher than the 29.39% of Irish nationals within this same age cohort. A higher percentage of UK nationals are in the 46-64 age group compared to Irish nationals – 27.10% versus 22.80%. The percentage of UK nationals over 65 years of age, at 9.56%, is slightly lower than the figure for Irish nationals, at 11.82%.

Europe pre-2004 (excl. Ireland and UK) Nationals

Persons from the EU pre-2004 states resident in Ireland have a markedly young age profile. Slightly over 75% of EU pre-2004 nationals are within the 15-44 age range. Breaking this percentage down further, 16.57% are in the 15-24 age bracket while approximately 60% are within the 25-44 age group. The percentage of EU pre-2004 nationals in the 25-44 age group is 60%, twice the percentage of Irish nationals in the same age group. While the percentage of Irish nationals in the 45-64 and Over 65 age categories stand at 22.80% and 11.82% respectively, the corresponding percentages for EU pre-2004 nationals are 13.45% and 3.37% respectively.

EU 10 Nationals

Persons from the EU 10, constituting almost half of all immigrants entering Ireland in 2007, evince an even younger age profile than their European Union contemporaries. 27.65% of EU 10 nationals are between 15 and 24 years of age. The corresponding figure for Irish nationals is 14.48%. EU 10 nationals record the highest number of persons in the 15-24 age bracket in comparison to all other national groupings. In the 25-44 age category, the percentage of EU 10 nationals is 56.52%. Combining the aforementioned age categories, over 84% of EU 10 nationals are between the ages of 15 and 44. For Irish nationals, the corresponding percentage is 44%. Only 7.24% of EU 10 nationals are in the 45-64 age bracket and a marginal percentage - .285% - in the Over 65's group.

Rest of Europe Nationals

The age profile of persons from Rest of Europe is almost identical to that of the EU 10 group. While a lower percentage of Rest of Europe persons is in the 15-24 age category relative to EU 10 nationals – 14.41% versus 27.65%, a higher percentage of Rest of Europe – 63.24% - falls within the 25-44 group. Less than 10% of Rest of Europe persons are aged 45 or over.

African Nationals

For persons categorised as African, the age profile is similar to EU pre-2004, EU 10 and Rest of Europe groups, albeit with one important distinction. The percentage of Africans recorded in the 25-44 age cohort is 60% approximately. The 15-24 age group accounts for 13% of Africans. Only 6% of African persons are aged 45 years or over. Where the African group differs from the previously discussed non-Irish national groups is in the relatively large number of African nationals aged 14 years and under. The percentage of Africans under 14 years of age is 21.65%, which is almost identical to the percentage of Irish nationals within this age cohort.

Asian Nationals

Asian persons exhibit an age profile similar to the EU pre-2004, EU 10 and Rest of Europe groups. Approximately 80% of Asians lie between the ages of 15 and 44. In the 15-24 age group, the percentage is 21.42% and in the 25-44 age group the percentage is 59.76%. Compared to Irish nationals, relatively few Asians are aged over 45 years – 7% versus the Irish equivalent percentage of approximately 34%. Similarly, the percentage of Asians under 14 years at 11.71% is low in comparison to the Irish population figure of 21.51%.

Americas

In the age categories of 0-14 years and 15-24 years the profile of persons from the Americas is almost identical to the Irish population. 21.83% of persons from the Americas are under 14 and 15.56% are between the ages of 15-24. However, this is where the similarity ends as 43.47% of persons from the Americas fall within the 25-44 age cohort which, while lower than other non-Irish national groups bar the UK, is still considerably higher than the corresponding figure of 29.39% for Irish persons. The other 20% of persons from the Americas are aged 45 or over.

Table 1.5: Age Profile of Irish and Non-Irish Nationals

Age	Irish		UK		EU pre-2004 (excl. Ireland and UK)		EU 10		Rest of Europe	
0-14 yrs	797,281	21.51%	15,651	13.91%	3,037	7.11%	10,007	8.3%	3,249	13.30%
15-24 yrs	536,777	14.48%	11,422	10.15%	7,074	16.57%	33,330	27.65%	3,519	14.41%
25-44 yrs	1,089,238	29.39%	44,263	39.33%	25,398	59.50%	68,121	56.52%	15,446	63.24%
45-64 yrs	845,160	22.80%	30,451	27.10%	5,744	13.45%	8,726	7.24%	2,003	8.20%
Over 65 yrs	438,227	11.82%	10,761	9.56%	1,440	3.37%	344	.285%	208	.851%
Total	3,706,683	100%	112,584	100%	42,693	100%	120,528	100%	24,425	100%

Age	Africa		Asia		Americas		Australia/NZ	
0-14 yrs	7,647	21.65%	5,497	11.71%	4,612	21.83%	715	12.35%
15-24 yrs	4,615	13.06%	10,056	21.42%	3,286	15.56%	725	12.52%
25-44 yrs	20,937	59.27%	28,058	59.76%	9,182	43.47%	3,612	62.40%
45-64 yrs	1,980	5.6%	3,079	6.56%	2,975	14.10%	624	10.77%
Over 65 yrs	147	.42%	262	.56%	1,069	5.06%	113	1.95%
Total	35,326	100%	46,952	100%	21,124	100%	5,789	100%

Australia/NZ

A youthful age profile defines the Australia/NZ group in Ireland. Approximately 75% of persons from these two countries are aged between 15-44 – 12.52% aged between 15-24 years and 62.4% aged between 25-44 years. Just over 12% of Australians/New Zealanders are under 14 years with a remaining 12% recorded as 45 years or over.

1.3.2 Gender

The gender split among non-Irish nationals resident in the state in 2006 is slightly skewed towards males. In 2006, 223,717 non-Irish national males were present in the state compared to the slightly lower figure of 196,016 for females. Therefore, there are approximately 27,000 more non-Irish national males in Ireland than non-Irish national females. This gender gap among non-Irish nationals can be contrasted with Census 2002 records which show that the ratio of non-Irish national males to non-Irish females was almost identical at 112, 593 males and 111, 668 females.

In Table 1.6, a breakdown of non-Irish national males and females is provided. It can be seen that in the case of EU 10 nationals a significantly higher number of males than females is recorded. To illustrate, from the 63,276 Polish nationals recorded as resident in Ireland in 2006, 40,288 were male while 22,988 were female. A similar trend of higher numbers of males than females from the other EU 10 states immigrating into Ireland also obtains. It is the EU 10 group to which the gender gap among non-Irish nationals that emerged over the inter-censal period 2002-2006 can be attributed. The Rest of Europe and Asia have a higher number of males than females, though the effect is not as pronounced as in EU 10. In the case of EU pre-2004 and the Americas there is a slightly higher number of females than males. For the UK, Africa and Australia/NZ groups, virtual parity exists between male and female numbers.

Table 1.6: Gender Profile of Irish and Non-Irish Nationals

Gender	1. Irish		2. UK		3. EU pre-2004 (excl. Ireland and UK)		4. EU 10		5. Rest of Europe	
Male	1,836,897	49.55%	56,210	49.94%	20,760	48.63%	73,033	60.60%	13,146	53.82%
Female	1,869,786	50.45%	56,338	50.06%	21,933	51.37%	47,051	39.40%	11,279	46.18%
Total	3,706,683	100%	112,548	100%	42,693	100%	120,534	100%	24,425	100%
Gender	**6. Africa**		**7. Asia**		**8. Americas**		**9. Australia/NZ**			
Male	17,560	49.71%	24,566	52.32%	10,080	47.72%	2,895	50%		
Female	17,766	50.29%	22,386	47.68%	11,044	52.28%	2,894	50%		
Total	35,326	100%	46,952	100%	21,124	100%	5,789	100%		

1.3.3 Educational Profile of Non-Irish Nationals

Assessing the educational attainment levels of recent immigrants is salient for all countries experiencing migration inflows. Educational levels of immigrants act as a gauge of the potential roles that immigrants can perform in host economies and, as such, their likely contribution to national economic development. The educational profile of non-Irish nationals ordinarily resident in Ireland in 2006 reveals a cohort of the population that has, on average, progressed to higher levels of education than the Irish population as a whole. In interpreting this result it is important to remember that the young age profile of immigrants invariably means that they will have higher levels of educational attainment relative to the Irish adult population as a whole [5]. When comparisons are made between immigrant educational attainment and Irish persons in the 15-44 age bracket difference in levels of educational attainment are marginal. Table 1.8 analyses the educational profile of Irish and non-Irish nationals aged 15 and over whose full-time education has ceased[4].

Relative to the Irish population, all non-Irish national groups have a higher completion rate of Lower Secondary and Upper Secondary education. Just over 78% of Irish nationals have reached at least the level of lower secondary education. Looked at from another angle, 22% of Irish persons have a primary education only or no formal education at all. For all non-Irish national groups the corresponding percentage in terms of Lower Secondary completion is over 90% in each case. At Upper Secondary level, 57% of Irish nationals have attained this standard at a minimum. Two-thirds of UK nationals have reached at least the level of Upper Secondary while in other non-Irish national groups the figure ranges between 80-90%.

At third level educational standard, non-Irish nationals have obtained non-degrees, degrees or higher to a greater extent than Irish nationals. Approximately 28.3% of Irish nationals have achieved some standard of third level education. Of this 28.3%, 11.1% is accounted for by non-degree holders while the remaining 17.2% represents degree or

[4] Educational attainment is analysed by reference to place of birth as opposed to nationality.

higher degree holders. The extent to which third level qualifications are held by non-Irish nationals exhibits significant inter-group variation. A smaller percentage of EU 10 nationals than Irish nationals are recorded as having a third level qualification. For EU pre-2004, Asia, the Americas, and Australia/NZ groups, the percentage of third level qualifications obtained ranges between 60-65%. Further analysis of the educational profile of non-Irish national groups is provided in the proceeding sections.

UK

At 91.1% UK nationals have a higher level of completion of Lower Secondary education in comparison to the Irish completion rate of 78.2%. The Upper Secondary completion rate at 66.6% is also higher than that of the Irish population (57%) but significantly below other non-Irish national groups. The Upper Secondary completion rate of all other non-Irish national groups is over 80%. 38.2% of UK nationals resident in Ireland have obtained some third level qualification – non-degree, degree or higher degree. Examining the third level qualifications of UK nationals further, 13.2% are holders of a non-degree third level qualification while 25% of the total number of UK nationals living in Ireland have reached degree standard or higher.

EU pre-2004 (excl. Ireland and UK)

Nationals from the EU pre-2004 states have an impressive level of educational achievement relative to both Irish and UK nationals. Almost 90% of EU pre-2004 nationals have at a minimum reached an Upper Secondary standard of education. 63.5% of EU pre-2004 nationals have completed third level education. Of this 63.5%, 11.4% are non-degree holders while the remaining 52.1% of the EU pre-2004 nationals in Ireland have a degree level qualification or higher. This is exactly three times the percentage of the Irish population that are degree holders (17.2%).

EU 10

Like their EU pre-2004 counterparts, EU 10 nationals have a high rate of Upper Secondary education completion relative to Irish and UK nationals. However, persons from the EU 10 states show significantly reduced rates of third level study relative to EU pre-2004 nationals. Just over 25% of EU 10 nationals are classed as having a third level qualification. This is slightly lower than the 28.3% of Irish nationals and the 38.2% of UK nationals that are holders of a third level qualification. The majority of EU 10 nationals that have attained a third level qualification are degree or higher degree holders (21.5%), with the remaining 4.2% classed as having a non-degree qualification.

Rest of Europe

The completion rates for Lower Secondary and Upper Secondary levels of education for Rest of Europe nationals are 90.9% and 80.7% respectively. These are higher than the equivalent rates for Irish nationals but lower than the rates for EU pre-2004 and EU 10 nationals. A sizeable proportion of Rest of Europe nationals (42.5%) have obtained a third level qualification, which is significantly higher than EU 10 nationals. While 8.2% of Rest of Europe nationals hold a non-degree third level qualification, over 34% are degree holders or higher.

Africa

The educational profile of Africans in Ireland is comparable to EU pre-2004 nationals. 84% of African nationals have, at a minimum, completed Upper Secondary education. The percentage of Africans that have undertaken and completed a third level course of study is 55%, the comparable Irish percentage being 28.3%. Of the 55% of Africans with a third level qualification, 16.8% are at the level of non-degree and 38.2% are at degree level or higher degree level.

Asia

At 63.5%, Asians have, along with EU pre-2004 nationals, the joint highest level of third level qualifications obtained. 53% of Asians in Ireland are degree holders with a further 10.5% possessing a non-degree third level qualification.

Americas

In virtual replication of the educational profile of Asians in Ireland, approximately 63% of persons from the Americas have reached a third level standard of education wherein slightly over 50% are degree holders and the remaining 13% non-degree holders. As such, one in every two persons from the Americas currently residing in Ireland pursued their education to degree standard or higher.

Australia/NZ

90% of persons from Australia and New Zealand have reached an Upper Secondary standard of education at least. 60.5% of persons have continued their education to third level. Of those with third level qualifications, approximately 45% are degree holders with 15% having a non-degree qualification.

Table 1.7: Ranking of Broad Ethnic Groups According to Percentage of Degree Holders

Asia	53%
EU pre-2004	52.1%
Americas	50.4%
Australia/NZ	45%
Africa	38.2%
Rest of Europe	34.3%
UK	25%
EU 10	21.5%
Irish	17.2%

Table 1.8: Educational Profile of Irish and Non-Irish Nationals

Education Level	Irish		UK		EU pre-2004 (excl. Ireland and UK)		EU 10		Rest of Europe	
Primary (incl. no formal education)	483,709	100%	18,770	100%	1,368	100%	4,293	100%	1,271	100%
Lower Secondary	500,575	78.2%	51,851	91.1%	2,221	96%	9,933	95.2%	1,410	90.9%
Upper Secondary	657,549	57%	59,904	66.6%	8,659	89.3%	52,669	84.2%	5,321	80.7%
Third level Non-Degree	254,348	28.3%	27,680	38.2%	3,796	63.5%	3,792	25.7%	1,143	42.5%
Third level Degree or Higher	394,903	17.2%	52,982	25%	17,458	52.1%	19,392	21.5%	4,767	34.3%
Total whose full-time education has ceased	2,291,084	0%	211,187	0%	33,502	0%	90,079	0%	13,912	0%

Education Level	Africa		Asia		Americas		Australia/NZ	
Primary (incl. no formal education)	1,063	100%	1,905	100%	1,582	100%	97	100%
Lower Secondary	2,132	94.7%	2,467	92.8%	2,123	94%	618	99%
Upper Secondary	5,845	84%	5,338	83.6%	5,898	85.7%	2,113	90%
Third level Non-Degree	3,332	55%	2,801	63.5%	3,216	62.8%	1,124	60.5%
Third level Degree or Higher	7,635	38.2%	14,124	53%	13,020	50.4%	3,221	45%
Total whose full-time education has ceased	20,007	0%	26,635	0%	25,839	0%	7,173	0%

1.3.4 Economic Status and Occupational Profile of Non-Irish Nationals

Immigration has been central to the expansion of the labour market in recent years. Census 2006 reflects the higher rate of labour force participation among foreign nationals relative to Irish nationals. Differences in labour force participation rates are also observable across foreign national groups. EU 15 nationals and EU 10 nationals have higher rates of labour force participation compared to non-EU nationals. There is a significantly higher percentage of non-EU nationals recorded as non-participants in the labour force - students, retired, homemakers, and disabled - relative to EU nationals.

For foreign nationals employed, distinct occupational profiles are identifiable. This is captured in Table 1.9. Also included is a category for those recorded as in the process of *Looking for a First Regular Job*. In the case of nationals from the UK and Americas groups, the occupational profile is generally reflective of the occupational profile of the Irish population. For EU pre-2004, there is a strong presence in the Clerical/Management/Government and Professional/Technical/Health occupational groups. The reverse situation characterises the occupational profile of EU 10 nationals and to a lesser extent the Rest of Europe nationals. The occupational profile of nationals from these groups is definable by its concentration in the Manufacturing and Construction sectors. Almost one third of Asians in the Irish labour force are classed in the Professional/Technical/Health occupational group. This is almost double the corresponding figure for Irish nationals and well above that of other non-Irish national groups also. African persons are represented in the Professional/Technical/Health and Services occupational groups to the same extent as Irish nationals but show a lower representation in the other main occupational groups relative to Irish and non-Irish nationals. A group by group analysis is undertaken in the sections below.

<u>UK</u>

UK nationals in the Irish labour force have a remarkably similar occupational profile to Irish nationals. The two primary occupational groups for UK nationals are: (i)

Professional/Technical/Health, and (ii) Clerical/Management and Government, with 19.5% and 17.8% of UK nationals in these categories respectively. In the case of Irish nationals the equivalent percentages for these categories are 16.6% and 18.6%. Apart from the Farming/Fishing/Forestry occupational group, differences between Irish and UK nationals across the other occupational groups are marginal.

EU pre-2004

The EU pre-2004 group exhibits an occupational profile distinct from Irish and UK nationals. A higher percentage of nationals from the EU pre-2004 states are classified in the Clerical/Management/Government and Professional/Technical/Health occupational categories relative to Irish and UK nationals. The percentages of EU pre-2004 nationals in these categories are 23.8% and 21.9% respectively. A comparable percentage of EU nationals to Irish and UK nationals fall within the Sales/Commerce occupational group. EU pre-2004 nationals have a relatively low representation in the Manufacturing and Construction occupational groups at 5.9% and 4.1% respectively.

EU 10

The occupational profile of the EU 10 group is notable for the strong emphasis on Manufacturing and Construction employment. In all, over 37% of EU 10 nationals are classified within the Manufacturing and Construction occupational groups. This can be contrasted with approximately 19% of Irish and UK nationals and 10% of EU pre-2004 nationals classified within these two occupational categories. After (i) Manufacturing and (ii) Construction, Services are the third largest occupational category of the EU 10 group, accounting for 15.4% of the labour force. Unlike Irish, British and EU pre-2004 nationals, a low proportion of EU 10 nationals are to be found in the Clerical/Management/Government and Professional/Technical/Health occupational groups. Approximately 4.3% are in the Clerical/Management/Government occupational group and an even lower figure of 3.7% in the Professional/Technical/Health group.

Rest of Europe

The Rest of Europe group has a broadly similar occupational profile to the EU 10 group. Services ranks as the largest occupational group, accounting for 14.25% followed closely by Manufacturing at 14.1% and Construction at 12.4%. Like the EU 10 group, the occupational group of Clerical/Management/Government constitutes a relatively small percentage of the labour force at 6.65%. Among Rest of Europe nationals, the Professional/Technical/Health occupational category contains approximately 9% of labour force participants, which is higher than the EU 10 figure but lower than Irish, UK and EU pre-2004 figure.

Africa

The occupational profile of persons from Africa is distinct from all other regional groups. At 6.9% and 2.4%, the number of African nationals in the Manufacturing and Construction sectors is lower than Irish, UK, EU 10 and Rest of Europe Nationals. While EU pre-2004 nationals have a similarly low presence in these occupational categories, they have a higher representation in the Clerical/Management/Government and Professional/Technical/Health. For Africans, 7.7% of the labour force is in the Clerical/Management/Government category and in the Professional/Technical/Health category it is 15.8%, which in both cases is lower than the corresponding figures for EU pre-2004 nationals. Almost 30% of Africans are classified in the Other occupational group, which somewhat obscures a clear reading of their precise occupational profile. Of interest also in the African occupational profile is the high number of persons recorded as "Looking for First Regular Job". Over 11% of Africans are of this status, which stands in contrast to 1% of Irish nationals, 1.7% of EU pre-2004 nationals, 4.6% of EU 10 nationals and 5.5% of Rest of Europe nationals in a similar position.

Asia

The most prominent feature of the occupational profile of Asians is the 31.6% of persons classified within the Professional/Technical/Health category. This is almost double the

number of Irish nationals in the same category and significantly above all other non-Irish national groups with the exception of Australians/New Zealanders. At 26.9%, the percentage of Asians in the Services occupational group is also well above that of Irish and non-Irish national groupings, with 15.4% among EU 10 nationals being the next highest percentage. Given the dominance of the Professional/Technical/Health and Services categories it is not surprising that the number of Asians in Manufacturing (5%), Construction (1.6%), Clerical/Management/Government (4.2%) and Transport (1.6%) is low relative to other groups.

Americas

The occupational profile of The Americas resembles that of Irish nationals and UK nationals to a significant degree. The percentage of persons from the Americas in the Manufacturing and Construction occupations are broadly comparable to Irish nationals at 10.9% and 9.2% respectively. Relative to Irish nationals a slightly lower number of persons from the Americas are in the Clerical/Management/Government group (14.6% versus 18.6%) and the Sales and Commerce group (10.8% versus 14%) and a higher percentage in the Professional/Technical/Health group (21.3% versus 16.6% of Irish nationals).

Australia/New Zealand

In as much as nationals from Australia and New Zealand have a strong presence in the Clerical/Management/Government, Professional/Technical/Health and Sales/Commerce occupational groups and a relatively marginal presence in the Manufacturing, Construction and Communications/Transport categories, they are similar to the EU pre-2004 group. Behind Asians, the Australia/New Zealand group have the highest percentage of persons in the Professional/Technical/Health category at 28.5%. The lowest percentage of persons (.5%) Looking for First Regular Job of all regional groups also belongs to Australians/New Zealanders.

Table 1.9: Occupational Profile of Irish and Non-Irish Nationals

Occupational Group	1. Irish		2. UK		3. EU pre-2004 (excl. Ireland and UK)		4. EU 10		5. Rest of Europe	
Farming/Fishing/Forestry	82,071	4.6%	989	1.6%	388	1.2%	2,555	2.5%	527	3.3%
Manufacturing	205,085	11.6%	6,111	10%	1,855	5.9%	19,891	19.3%	2,238	14.1%
Construction	147,862	8.35%	5,554	9%	1,294	4.1%	18,695	18.2%	1,966	12.4%
Clerical/Management/Govt	329,832	18.6%	10,914	17.8%	7,523	23.8%	4,395	4.3%	1,058	6.65%
Communication/Transport	100,139	5.65%	3,346	5.45%	955	3%	5,896	5.7%	682	4.3%
Sales/Commerce	248,094	14%	8,456	13.8%	4,533	14.4%	9,939	9.6 %	1,321	8.3%
Professional/Technical/Health	294,199	16.6%	11,969	19.5	6,925	21.9%	3,769	3.7%	1,441	9.1%
Services	178,161	10%	7,052	11.5%	4,527	14.4%	15,858	15.4%	2,265	14.25%
Other	167,985	9.50%	6,378	10.4%	3,022	9.6%	17,220	16.7%	3,518	22.1%
Looking for First Regular Job	17,233	1%	597	1%	549	1.7%	4,726	4.6%	873	5.5%
Total in Labour Force	**1,770,661**	**100%**	**61,366**	**100%**	**31,571**	**100%**	**102,944**	**100%**	**15,889**	**100%**

Occupational Group	6. Africa		7. Asia		8. Americas		9. Australia/NZ	
Farming/Fishing/Forestry	62	.3%	156	.6%	185	1.7%	50	1.2%
Manufacturing	1,288	6.9%	1,359	5%	1,159	10.9%	294	6.9%
Construction	444	2.4%	431	1.6%	981	9.2%	298	7%
Clerical/Management/Govt	1,439	7.7%	1,128	4.2%	1,548	14.6%	907	21.3%
Communication/Transport	633	3.4%	435	1.6%	250	2.4%	94	2.2%
Sales/Commerce	1,645	8.8%	2,482	9.1%	1,145	10.8%	673	15.8%
Professional/Technical/Health	2,955	15.8%	8,577	31.6%	2,267	21.3%	1214	28.5%
Services	2,732	14.6%	7,321	26.9%	1,058	10%	389	9.1%
Other	5,399	29%	4,329	15.9%	1,761	16.6%	326	7.6%
Looking for First Regular Job	2,074	11.1%	953	3.5%	267	2.5%	20	.5%
Total in Labour Force	**18,671**	**100%**	**27,171**	**100%**	**10,621**	**100%**	**4,265**	**100%**

Table 1.10: Ranking of Occupational Groups for Irish and Non-Irish Nationals

Irish	1. Clerical/Management/Govt 2. Professional/Technical/Health 3. Sales/Commerce
UK	1. Professional/Technical/Health 2. Clerical/Management/Govt 3. Sales/Commerce
EU pre-2004 (excl. Ireland and UK)	1. Clerical/Management/Govt 2. Professional/Technical/Health 3. Sales/Commerce/Services
EU 10	1. Manufacturing 2. Construction 3. Services
Rest of Europe	1. Services 2. Manufacturing 3. Construction
Africa	1. Professional/Technical/Health 2. Services 3. Sales/Commerce
Asia	1. Professional/Technical/Health 2. Services 3. Sales/Commerce
Americas	1. Professional/Technical/Health 2. Clerical/Management/Govt 3. Manufacturing/ Sales/Commerce
Australia/New Zealand	1. Professional/Technical/Health 2. Clerical/Management/Govt 3. Sales/Commerce

1.3.5 Geographic Distribution of Non-Irish National Groups

With the unprecedented inflows of migrants into Ireland over the 200-2006 inter-censal period comes a need to appraise their settlement patterns. Is the spatial concentration of non-Irish nationals similar to the indigenous population as a whole and if not, in what way do non-Irish nationals differ in their pattern of settlement? In Table 1.11 an analysis of the geographic location of non-Irish nationals by province is undertaken, with separate analyses for Dublin City and County and Cork City and County.

The settlement pattern of non-Irish nationals is by no means uniform. Nationals from the EU 10 countries exhibit a remarkably similar settlement pattern to the Irish population. This is also true of persons from the Americas. UK nationals are notable for their proportionally low concentration in Dublin City and County and their proportionally high numbers in Munster (excl. Cork City and County), Connacht and the three Ulster counties. Persons from other national groups appear to be less dispersed across Ireland. The geographic area of Dublin City and County accounts for approximately 50% and greater for persons from EU pre-2004, Rest of Europe, Africa and Asia. In fact, over 70% of persons from Rest of Europe, Africa and Asia are located in Leinster, including Dublin City and County. The spatial concentration of certain immigrant groups in the large urban centres and adjoining regions is indicative of similar demographic trends in other countries with a long experience of migration inflows, such as the UK and the USA.

1.4 CHAPTER SUMMARY

This chapter has provided a broad overview of the increasing diversity of the population of Ireland and the characteristics of those non-Irish nationals who have made this country their new home. In comparing and contrasting Census 2002 and Census 2006 it is evident that Ireland has undergone a rapid transformation in its social and demographic make-up. No doubt Census 2011 will provide further evidence of immigration into Ireland and its resulting impact on the racial, religious and cultural composition of the Irish state. To

Table 1.11: Geographic Distribution of Irish and Non-Irish Nationals

Region	Irish		UK		EU pre-2004 (excl. Ireland and UK)		EU 10		Rest of Europe	
Dublin City and Co.	994,015	26.8%	20,932	18.6%	20,831	48.8%	38,161	31.7%	13,007	53.3%
Leinster (excl. Dublin)	993,483	26.8%	28,229	25.1%	6,847	16%	32,171	26.7%	4,851	19.9%
Cork City and Co.	426,318	11.5%	13,806	12.3%	5,274	12.4%	13,885	11.5%	1,513	6.2%
Munster (excl. Cork)	611,689	16.5%	21,340	19%	4,739	11.1%	17,441	14.5%	2,868	11.6%
Connacht	440,907	11.9%	18,767	16.6%	4,154	9.7%	12,322	10.2%	1,534	6.3%
Ulster (part of)	240,271	6.5%	9,474	8.4%	848	2%	6,554	5.4%	652	2.7%
Total	3,706,683	100%	112,584	100%	42,693	100%	120,534	100%	24,425	100%

Region	Africa		Asia		Americas	
Dublin City and Co.	17,105	48.4%	28,084	59.8%	3,674	29.4%
Leinster (excl. Dublin)	8,208	23.2%	6,900	14.7%	2,389	19.2%
Cork City and Co.	2,740	7.7%	3,034	6.5%	1,349	11%
Munster (excl. Cork)	3,790	10.8%	4,485	9.5%	2,217	17.8%
Connacht	2,497	7.1%	3,230	6.9%	2,070	16.6%
Ulster (part of)	986	2.8%	1,219	2.6%	776	6%
Total	35,326	100%	46,952	100%	12,475	100%

what extent Irish society will be changed and the profile of the Irish labour force altered by future migration inflows is a moot point. Ireland's status as an immigrant country has, up to this point, been inextricably bound up with its emergence as a thriving economy. Continued economic prosperity and labour market growth will, arguably, dictate future immigration levels.

From Ireland's experience of immigration to date trends are observable in relation to the country of origin of immigrants, the demographic profile of immigrants, and the economic roles immigrants have come to occupy in the Irish labour market. These are summarised below:

- Non-Irish nationals comprise approximately 11% of the total Irish population

- The rate of immigration into Ireland from both EU and non-EU nationals increased exponentially over the inter-censal period 2002-2006

- Nationals from the EU 10 states which acceded to the EU in 2004 have had the most significant influence on the population profile of Ireland over the inter-censal period 2002-2006

- The rate of immigration into Ireland has accelerated since Census 2006 was undertaken, as adjudged by the issuance of PPS numbers to foreign nationals, particularly nationals from the EU 10 states

- Non-Irish nationals have a markedly young age profile relative to the Irish population. This young age profile is most pronounced in the case of EU 10 nationals, EU pre-2004 nationals, Rest of Europe nationals and Asians. A young age profile is associated with other demographic characteristics of immigrants, including their relatively high level of educational attainment and their high participation in the labour market

- Except for EU 10 nationals, there is parity in numbers between non-Irish national males and non-Irish national females

- Non-Irish nationals have an impressive educational profile relative to the Irish population. In almost all cases, the level of educational attainment at second and third levels is higher among non-Irish nationals than Irish nationals. This high level of educational attainment across foreign national groups in Ireland is reflective of their young age profile

- The economic status of non-Irish nationals shows a higher labour force participation rate, most notably for EU 10 nationals, with fewer students, homemakers and full-time students compared to Irish nationals. Variation is found between different foreign national groups in respect of their economic status, with non-EU nationals having a lower labour force participation rate relative to EU 10 nationals

- The occupational profile of non-Irish nationals evinces significant variation. For EU 10 and Rest of Europe nationals there is a clear trend of taking employment in the following three sectors: Manufacturing, Construction, and Services. Asians have a high participation rate in the Professional/Technical/Health occupations. Other foreign national groups broadly resemble the occupational profile of the Irish population

- The settlement pattern of non-Irish nationals is not uniform. To be expected, several groups – Asia, Africa, EU pre-2004 and Rest of Europe – have a high concentration in Dublin. EU 10 nationals and UK nationals have a similar settlement pattern to the Irish population, showing geographic dispersal right across the country

Understanding the profile of the different non-Irish national groups is a critical prelude to analysing the entrepreneurial behaviour of ethnic entrepreneurs in Ireland. Such an understanding offers a context and profiling that will later assist the interpretation of the primary research. The identification of the foreign national population being young, well educated, urban located, high rate of participation in the labour force while working primarily in construction and manufacturing related activities might suggest that many immigrants are not achieving their full potential in the job market. Such a potential outcome will be analysed in the next chapter, as will the challenges facing immigrants when establishing their own business.

CHAPTER TWO: ETHNIC ENTREPRENEURSHIP

2.1 CHAPTER OVERVIEW

Entrepreneurship among ethnic minority communities in Ireland is the focus of discussion in this chapter. The influx of economic migrants into Ireland in recent years has stimulated interest in the economic roles that non-Irish nationals will come to assume in the 'new' Ireland. From the experience of other developed economies with established immigration patterns it is anticipated that enterprise creation by foreign nationals will become a contemporary feature of the Irish economy. In addressing the topic of enterprise creation by foreign nationals, hereafter referred to as ethnic entrepreneurship, this chapter is structured as follows. To begin, the criticality of entrepreneurial activity to the competitiveness of the Irish economy is set down. Foreign national business activity is then situated within the Irish entrepreneurial environment. From this, attention is paid to the trends in ethnic entrepreneurial activity within immigrant countries. An analysis is then undertaken of the myriad challenges unique to foreign nationals initiating and subsequently managing a new business venture. Finally, reference is made to public policy as it pertains to the promotion of business activity among ethnic minority groups in Ireland.

2.2 ENTREPRENEURIAL ACTIVITY IN IRELAND

Ireland is a country of increasing entrepreneurial activity. The most recent statistics available from the Global Entrepreneurship Monitor (GEM) reveal that Ireland is now in the upper tier of OECD countries for rates of entrepreneurial activity. The level of 'early entrepreneurship' in Ireland, defined in terms of the number of persons attempting to start their own business in addition to the number of persons who have established a business since 2003, is seventh highest of twenty-two OECD countries. In the case of 'established entrepreneurs', defined as owners of enterprises in operation pre-2003, Ireland ranks fifth of twenty-two OECD countries. Ireland's relatively high standing in the OECD

entrepreneurship rankings is reflective of a dynamic domestic business environment and an economic and institutional climate that actively encourages and rewards entrepreneurial endeavour.

2.2.1 Entrepreneurship Policy in Ireland

At the macroeconomic level the encouragement of entrepreneurial start-ups and the promotion of greater levels of entrepreneurship among established enterprises has become a key area of interest to Irish policy makers. In the same way that a concerted long-term strategy was pursued to attract foreign direct investment (FDI) to Ireland, the movement on several policy fronts towards an entrepreneurial society and an economy underpinned by enterprising individuals and indigenous firms is gaining momentum [7]. Forfas has articulated an entrepreneurial vision of Ireland becoming a world class environment in which to start and grow a business [7]. This entrepreneurial vision is driven by an economic competitiveness imperative, with particular emphasis placed on fostering high-potential start-ups (HPSUs) competing internationally in high value added economic sectors. Typical of most developed countries, the vast majority of Irish enterprises (97%) are categorised as small, employing fifty persons or less. It is from within this small enterprise population that the Irish economy will increasingly come to rely upon when competing in internationally traded services, high-end manufacturing, and research and development activity [8]. In essence, small and medium sized enterprises (SMEs) will play an indispensable role in the future competitiveness of the Irish economy.

2.2.2 Entrepreneurship among Foreign Nationals in Ireland

One facet to the promotion of Ireland as a world renowned enterprise economy is foreign national business creation. The Small Business Forum [8] identified the support for enterprise creation among women and ethnic minorities as one of three areas that should inform any national policy, the other two areas being the reinforcement of entrepreneurship at all levels of the education system and the enhancement of the culture

for entrepreneurship in Ireland. Forfas (2007) reiterated this recommendation of the Small Business Forum, identifying women, returning members of the Irish Diaspora and ethnic minorities as relatively untapped and underdeveloped sources of entrepreneurship in Ireland. In the interests of maximising the gains from an enterprise economy therefore, the policy recommendation is that enterprise creation is actively encouraged from all sectors of Irish society.

The transformation of the demographic composition of Ireland has directed attention towards the potential role that foreign nationals will assume in enterprise creation. It is suggested that this inward migration flow presents itself as an opportunity for Ireland to embrace and harness the entrepreneurial potential of immigrants, thus contributing to Ireland's vision of an enterprise society. Given that the preponderance of immigrants in Ireland are young with high levels of educational attainment relative to the Irish population as a whole (detailed in Chapter 1), the foreign national cohort of the Irish population could emerge as a key actor in future indigenous entrepreneurial activity. If the Irish experience of immigration evolves in a similar pattern to that of its European counterparts, one can reasonably expect a strong ethnic involvement in enterprise creation over the coming years as immigrants become embedded in Irish society and attuned to the workings of the Irish business environment. The outstanding question relates to the extent and nature of any such ethnic entrepreneurial activity that Ireland is likely to experience over the coming years.

2.3 INTERNATIONAL EXPERIENCE OF ETHNIC ENTREPRENEURSHIP

Ethnic owned businesses are now a distinguishing feature of most developed economies. Taking Britain as one example, the Ethnic Minority Business Forum estimates that there are 250,000 ethnic minority businesses in operation in the UK, contributing 13 billion pounds to the economy annually [9]. In Britain, as in other countries with an established history of immigration, patterns are now discernible in relation to both the extent and nature of ethnic entrepreneurship. In respect of rates of business ownership, foreign national groups in their adopted societies are generally regarded to be just as likely to

initiate business start-ups as the indigenous population. Indeed research has shown that particular ethnic groups and nationalities are even shown to display a disposition towards self-employment and business ownership over and above that of the indigenous population [10].

As regards the nature of ethnic entrepreneurial activity, a cumulative body of research across various immigrant countries - Britain, the Netherlands, the United States, Canada and Australia – documents that business activity among ethnic minorities is definable, for the most part, by its concentration in low value added sectors of the economy such as retailing, catering, personal services and transport and/or in niche ethnic markets [10]. Relevant to this finding, low start-up capital commitment and labour intensiveness have become synonymous with ethnic-dominated industries. Ethnic entrepreneurship has now, for the most part, come to be understood in developed economies as operating at the economic margins of the service sectors, oriented primarily to local markets.

2.3.1 Motivations for Ethnic Entrepreneurs

Research on ethnic entrepreneurs across Britain, Canada and The Netherlands demonstrates that the primary motivation for ethnic minority persons in pursuing a promising business opportunity is typical of what motivates entrepreneurs in general, namely a desire for personal achievement, greater autonomy and economic advancement [11, 12]. In this sense, the factors that impel foreign nationals to start their own business are similar to indigenous entrepreneurs. Unfavourable treatment in the open labour market, blocked opportunities for progression in their role as employees and an outsider or 'sojourner'[10] mentality that lends itself to the hard work and perseverance required of new business owners can also contribute to a greater or lesser degree in explaining why foreign nationals may consider self-employment to be an attractive option for them [13]. These characteristics means that effectively, ethnic entrepreneurship is likely to see more

[10] A "sojourner" mentality connotes a type of immigrant entrepreneur who is solely focused on economic betterment and has no interest in the wider host nation society in which he resides.

‘push entrepreneurs’ than ‘pull entrepreneurs’ as economic and social circumstances pushes them towards self-employment.

2.3.2 Challenges Facing Foreign Nationals in Starting a Business

If the motivations for entrepreneurship among foreign nationals and the indigenous population are generally similar, the circumstances facing both groups in establishing a new enterprise or expanding an existing enterprise are qualitatively different. While all intending entrepreneurs are confronted with challenges in the form of financial constraints, uncertainty as to business potential, lack of complete information on the sector/industry and its operations, these problems are often particularly pronounced for ethnic entrepreneurs [14]. Their initial outsider status inevitably means that ethnic entrepreneurs lack business connections in the mainstream business environment. A lack of familiarity with the institutional and legal framework governing business affairs may also pose difficulties. Moreover, ethnic entrepreneurs can experience a level of wariness and even hostility from the mainstream business environment on account of their distinct nationality, race and religion. It is to the challenges facing foreign nationals in starting and subsequently running their business that the discussion now turns.

<u>Access to Capital</u>

Access to capital is a perennial challenge confronting all small enterprises. Recent research undertaken by Enterprise Ireland reported that almost 70% of companies with ten employees or less experienced difficulties in raising finance/equity in Ireland [15]. Research from the UK also identifies the difficulties that small firms are faced with in securing adequate funding, especially small ethnic firms [16]. Initial indications from state funded agencies in Ireland charged with enterprise creation suggest that securing funding is a primary, if not *the* primary, impediment to starting a new business or expanding an existing business for ethnic minorities [17]. Myriad reasons, including an indeterminable credit history, a lack of collateral, a weak business plan, inadequate formal business experience, limited knowledge of the local business environment and

distrust of the individual applicant or the ethnic minority to which he/she belongs can militate against ethnic persons securing funding for their enterprise.

International research has provided evidence of aspiring ethnic entrepreneurs sourcing finance from informal ethnic business co-operatives [18]. This resort to ethnic business co-operatives is used as a strategy to overcome barriers frequently encountered in securing funding from financial institutions. However, use of this strategy appears to be culture specific and is primarily associated with ethnic entrepreneurs that are of Asian origin. In addition to evidence of specific foreign national groups adopting atypical means of financing their enterprises, studies from both Britain and Canada are highly suggestive of varying degrees of difficulty experienced by different ethnic groups in accessing finance from institutional sources. Entrepreneurs of African/Caribbean extraction are reported as experiencing greater difficulties relative to other ethnic groups in raising finance [12, 16].

Mainstream Network Connections

Disconnection from the mainstream business environment is a significant impediment to the growth of many ethnic businesses. External, mainstream business networks, whether of a formal or informal nature, constitute a valuable source of social capital for small firms. Through business networks mutually beneficial relationships can be formed (e.g. supplier/customer), information on industry trends and future business opportunities can be gleaned, and credibility and name recognition can be established. The fact that ethnic minority businesses are often isolated from mainstream business and industry networks deprives them of the aforementioned opportunities and can consign them to a peripheral, marginalised role in the sector in which they operate.

Over-Dependence on Ethnic Business Network

For many ethnic entrepreneurs, embeddedness in the economic and social milieu of their ethnic community takes precedence over interaction with the mainstream business

environment. The ethnic community or the informal ethnic business network can provide entrepreneurs with a range of tangible and intangible supports. In the absence of co-ethnic business support, many ethnic entrepreneurs would find the challenges of initiating a new business venture insurmountable. However, this dependence on ethnic community supports comes with a price. While a high level of inter-connectedness and inter-dependence among entrepreneurs belonging to a particular ethnic group can serve as a positive resource endowment up to a certain level of scale, performance and ambition, beyond that ethnic ties can stymie business development [11, 14, 19].

An over-dependence on co-ethnics for business supports reduces the probability of ethnic entrepreneurs developing the mainstream business contacts vital to enterprise growth and business diversification. It is only through engagement with the mainstream, indigenous business environment that ethnic entrepreneurs will be able to recognise and be in a position to act on business opportunities. Secondly, the practices that characterise business dealings across the ethnic business network are generally of an informal, personal nature. These learned business practices of ethnic entrepreneurs are inappropriate for conducting business in the mainstream business environment where relations are formal, impersonal and legalistic in nature. As such, an over-dependence on ethnic networks can limit ethnic entrepreneurs' ability to transcend ethnic market boundaries and compete in the open market.

Exclusive Focus on Ethnic Customers

For most ethnic entrepreneurs their own ethnic community serves as the initial focal point to which their business is oriented. The commercial opportunities to be had in satisfying the distinct culinary and cultural tastes of expanding ethnic communities are ordinarily met by co-ethnic entrepreneurs. With the advantages that ethnic entrepreneurs enjoy in having a definite market of which they are knowledgeable comes several disadvantages. Firstly, an exclusive focus on the ethnic market imposes constraints on the potential for growth and diversification owing to a limited number of potential customers. Secondly and relatedly, the purchasing power of ethnic communities is often lower than that of the

indigenous population. Therefore, the element of predictability and certainty that comes with sole focus on an ethnic market segment must be set against the limitations that such a strategy imposes on future business growth and profitability.

Concentration in Marginal Economic Sectors

Many of the challenges that ethnic minority businesses must contend with are inherent in the industry sectors in which they operate. If not serving niche ethnic markets, ethnic entrepreneurs are predominantly clustered in the local service sectors of the urban economy performing relatively low value added activities. Research spanning the United States, Britain, Canada and The Netherlands has confirmed the concentration of ethnic entrepreneurs in the low scale retailing, restaurant, low-value added manufacturing and personal services sectors of the economy [11, 12, 19, 20]. Entry barriers to these sectors in the form of start-up capital, formal business training and managerial experience are low. This often has the effect of attracting a disproportionately high number of aspiring ethnic entrepreneurs into this narrow range of sectors. Moreover, high numbers of ethnic entrepreneurs within a limited number of marginal economic sectors can create intense competition with limited potential for profit making [21]. The earning and financial reward constraints that are a hallmark of the marginal sectors in which ethnic minorities invariably operate makes diversifying into more productive sectors of the economy offering higher rates of return a difficult proposition.

Lack of Managerial Experience and Formal Business Training

A lack of managerial experience and inadequate business skills are recognised as principal reasons for the failure or sub-optimal performance of ethnic minority businesses. A previous study has drawn attention to the skills deficiencies of many ethnic entrepreneurs in the areas of organisation, planning, strategic goal setting, marketing, sales and financial expertise [22]. Moreover, there is often a reluctance on the part of ethnic entrepreneurs to make the connection between underlying business problems or business failure and an inadequate business skill and competence set [23]. In the absence

of a comprehensive understanding of core business functions and good overall business acumen and experience, ethnic entrepreneurs are distinctly disadvantaged relative to those entrepreneurs and small firms in possession of business management experience and professional business qualifications. The fact that many ethnic entrepreneurs' formative business experience is in the informal, personal sphere of the ethnic business network contributes to their likely dearth of business professionalism.

Lack of Familiarity with Institutional and Legal Environment

The various technical and legal stipulations associated with the establishment and management of an enterprise demand of entrepreneurs a certain level of awareness and knowledge of the business regulatory environment. Given their initial unfamiliarity with the economic, social and governance structures of the host nation, it is to be expected that compliance with the legal and financial strictures governing enterprise establishment in addition to sector specific regulations can prove onerous and challenging for ethnic entrepreneurs. Relative to their local counterparts, ethnic entrepreneurs are at an information and knowledge disadvantage in navigating the regulations governing enterprise. Research on ethnic minority business indicates that an inability to comply with legal obligations acts as a prohibiting factor on some ethnic entrepreneurs graduating from the economic margins wherein regulation is minimal or non-existent into mainstream sectors subject to more stringent regulatory oversight [24].

Spatial Concentration of Ethnic Enterprises in Urban Environments

A common feature of ethnic enterprises in developed economies is their spatial concentration in inner city urban environments. The location of ethnic enterprises in inner city locations is reflective of the settlement pattern of ethnic minority groups on entering a host country. Furthermore, particular inner city zones attract ethnic enterprise on account of low rents relative to other urban and suburban districts. With the advantage of low rent on leased premises and proximity to the ethnic community comes the disadvantage of crime and vandalism that invariably afflicts areas suffering from a level

of social and economic deprivation. The practical consequences on ethnic minority businesses, apart from a reported incidence of crime, manifest themselves in higher insurance premiums and an added reluctance on the part of financial institutions to lend in such circumstances [14]. This situation serves to exacerbate the problems that ethnic entrepreneurs often encounter in securing finance from institutional sources.

Societal Hostility

Hostility and a sense of wariness from persons and organisations with the mainstream business environment is another obstacle that ethnic entrepreneurs frequently find themselves negotiating. Negative stereotyping of particular ethnic groups will have inevitable consequences for aspiring entrepreneurs of the same ethnicity in their treatment by actors within the indigenous business environment. This manifests itself in the difficulty that ethnic entrepreneurs are reported to encounter in securing finance from institutional lenders, particularly persons of African/Caribbean extraction; in establishing supplier and customer contacts; in leasing business premises; and in gaining credibility in the eyes of society as a whole. It is suggested that societal antipathy towards ethnic entrepreneurs is reflected in their often over-dependence on ethnic social networks [22, 25].

2.4 POLICY INTERVENTIONS FOR THE PROMOTION OF ETHNIC ENTREPRENEURSHIP

It is stated previously in this chapter that explicit attention to business creation among ethnic minorities forms one strand of an envisaged world class entrepreneurial Irish economy. In recent years structures have come on stream to make good on this espoused policy of promoting business activity among foreign national groups who have made Ireland their new home. Bespoke business training programmes for aspiring foreign national entrepreneurs are offered by both mainstream employment and enterprise agencies (for example, FAS, County and City Enterprise Agencies, Area Partnerships) and agencies specifically mandated to assist foreign nationals in starting and/or

expanding their business (for example, Emerge, Institute of Minority Entrepreneurship). A policy of targeted intervention for aspiring ethnic entrepreneurs is therefore gaining momentum in Ireland.

The approach adopted by Ireland to date in assisting foreign nationals in business creation is reflective of policy across the European Union. In Britain, a multi-pronged strategy aimed at promoting ethnic business activity is pursued, utilising both the expertise of mainstream enterprise agencies as well as specialist ethnic business agencies [20]. Additionally, ethnic business is assisted through sector specific policy initiatives designed to professionalise the operations of ethnic businesses in sectors that have a high ethnic concentration. Financial support initiatives targeting ethnic minority entrepreneurs are also employed, helping ethnic minority groups to overcome barriers encountered in obtaining funds for their business.

At the European Union (EU) level best practice in the encouragement of ethnic business activity has been identified, drawing on policies and initiatives from across all member states. On the supply side, states are advised to implement policy with regard to three main areas of activities. The first area relates to the signposting of schemes and support structures that are of relevance to aspiring ethnic entrepreneurs but of which they may be unaware. The second area focuses on ameliorating business skills among aspiring ethnic entrepreneurs, including strategic planning, marketing, finance, and personnel management. The third area highlights the importance of a proactive approach by states in augmenting the social, cultural and financial resources of ethnic entrepreneurs. Not only on the supply side of ethnic entrepreneurs but also on the demand side of the economy are EU states urged to be cognisant of what can be done to facilitate greater levels of ethnic entrepreneurship. Issues of relevance here include a regulatory impact assessment on all small enterprises and the possible provision of incentives for firms to enter sectors designated as strategic priority areas for the national economy.

While economic growth objectives ostensibly determine how and why business activity among ethnic entrepreneurs is actively encouraged, attention needs also be drawn to the

fact that social policy objectives, encompassing social inclusion and equality agendas, continue to influence the manner in which persons from ethnic minorities are supported in starting a business. This is evident across immigrant countries, particularly in Britain. Arguably, social objectives have influenced Ireland's nascent enterprise policy directed towards aspiring ethnic entrepreneurs. The extent to which the promotion of ethnic entrepreneurship will be driven by economic policy objectives or social policy objectives over the coming years remains to be seen.

2.5 CHAPTER SUMMARY

Enterprise creation among foreign nationals in Ireland has recently emerged onto the public policy radar in Ireland. The promotion of enterprise among foreign nationals dovetails with the overarching economic strategy of Ireland becoming a world class environment in which to start and grow and business. International experience to date suggests that foreign nationals are as likely to gravitate towards self-employment as indigenous nationals, albeit with a concentration in relatively low value added local service sectors of the mainstream economy. If immigration in Ireland is to follow a broadly similar pattern to its European contemporaries, then a sizeable minority of small business activity will be attributable to foreign nationals. Similar to other immigrant countries, it is to be expected that ethnic entrepreneurs will be confronted with challenges in respect of starting and managing a business that are peculiar to their non-Irish status. These include a lack of business contacts, greater difficulty in accessing finance from institutional sources and an information deficit when it comes to negotiating the business regulatory and legal environments. Targeted intervention to directly assist aspiring foreign national entrepreneurs is commonplace in immigrant countries, guided by economic growth as well as by social objectives. In Ireland, intervention to support aspiring ethnic entrepreneurs is still in its formative stages with no comprehensive policy direction yet instituted.

CHAPTER 3: RESEARCH FINDINGS

3.1 INTRODUCTION

This chapter presents the findings from primary research undertaken as part of this report into mapping ethnic entrepreneurship in Ireland. Through the use of a survey-based methodology a detailed investigation on the scope and nature of ethnic business activity was undertaken. In the proceeding sections the research strategy used in surveying over 1,000 thousand persons non-Irish nationals living in Ireland is described. Specification of the main objectives of the research, the survey techniques employed, the targeted ethnic groups, along with considerations that informed the research strategy are made explicit. Following this, an analysis of the final respondent sample is provided. This involves performing a comparison of the demographic profile of ethnic minority respondents surveyed over the course of this research with the demographic profile of ethnic minorities recorded in Census 2006. Having made clear the research strategy employed, findings from this nationwide survey on ethnic entrepreneurial activity are revealed.

3.2 RESEARCH OBJECTIVES

As referred to in the introduction, a survey-based methodology is used for the purposes of this research. This required the systematic, standardised gathering of data across targeted ethnic minority groups in Ireland. The survey-based methodological approach is has two research objectives. The first objective was to determine the rate of ethnic business ownership in Ireland. The second objective was to investigate in detail the characteristics of ethnic businesses in Ireland, the challenges facing ethnic entrepreneurs, and their interaction with the Irish business and institutional environment. In other words, the second research objective aims to map ethnic entrepreneurship in Ireland in 2008.

Table 3.1: Research Objectives

1. Determine the extent of business ownership among ethnic minorities in Ireland
2. Provide a detailed mapping of ethnic entrepreneurship in Ireland

In surveying targeted ethnic minority groups, recourse was made to several research techniques. In the majority of cases respondents were surveyed online. Contact was made in person with targeted ethnic community representatives with the aim of soliciting their co-operation in surveying their members. Contact persons were requested to forward the online questionnaire through their mailing list to their co-ethnics. Additionally, use was made of online advertising on the major ethnic media outlets as a means of broadening the reach of the survey. Postal distribution of questionnaires was also availed of to supplement the online distribution of the questionnaire. Community Partnerships located across Ireland that enjoy a professional involvement with foreign national groups agreed to randomly distribute hard copies of the questionnaire to their foreign national patrons. Finally, the survey took the form of directly administering questions to foreign nationals at locations across Dublin city centre.

3.2.1 Targeted Foreign National Groups

For this research parameters were required in order to define ethnic minority status in Ireland. The position taken was that non-Irish nationality is of itself not sufficient for a person to be classified as belonging to an ethnic minority group. As a degree of disadvantage is implicit in the concept of ethnic minority status, the decision was taken that only foreign national groups deemed to be disadvantaged relative to the indigenous population (in terms of language, socio-economic background, residency rights, recognition of qualifications) qualified as ethnic minority persons. This principle conditioned which foreign national groups were classified as ethnic minorities and which foreign national groups were excluded from the research.

Firstly, foreign nationals groups deemed similar to the Irish population in terms of culture and language were excluded from ethnic minority classification. Included among these groups are nationals of Britain, the United States, Canada, Australia and New Zealand. It is assumed that nationals from each of the above countries share a common Anglo culture with the Irish population, expressed in language and culture, and therefore no significant disadvantage can be said to exist in their interaction with Irish society. Secondly, foreign nationals originating in countries with a similar level of economic and social

development to the Irish nation are inadmissible. Nationals from the pre-2004 European Union states are not classified as ethnic minorities for the purposes of this study.

It is in the case of foreign nationals groups where there is a reasonable assumption of disadvantage in their ability to negotiate the economic, social and cultural Irish environment that the concept of ethnic minority status assumes relevance. This assumption of disadvantage, stemming from language barriers, cultural barriers and socio-economic status, applies to several of the economic migrant groups that have recently arrived in Ireland. Firstly, persons from the EU 10 accession states (e.g. Poland, Lithuania, Latvia) who have settled in Ireland in large numbers over the last four years are categorised as ethnic minority persons. Secondly, persons from EU countries that have not been granted free access to the Irish labour market (i.e. Romania and Bulgaria) and other non-EU Eastern European countries are also considered to be a distinct ethnic minority group for the purposes of this research. Finally, non-Caucasian persons born outside Ireland, namely Africans and Asians, are categorised as ethnic minority groups.

Table 3.2: Classification of Ethnic Minority Groups in Ireland

1. EU 10 Nationals (e.g. Polish, Lithuania, Latvia)
2. Other Eastern European Nationals (e.g. Romanian, Russian, Ukranian)
3. Asians
4. Africans

3.2.2 Research Considerations

The research strategy employed, encompassing online and postal self-administered questionnaires (as well as direct administration of the questionnaire), had two overriding aims. The first aim was to survey approximately one thousand persons belonging to the four main ethnic minority groups identified above in order to make a credible inference as to the extent of business ownership among the total number of EU 10, Other Eastern European, Asian and African nationals resident in Ireland. The second aim was to ensure that the final response was broadly representative of the aforementioned ethnic minority groups in Ireland. Both of these aims were met with a strong degree of satisfaction.

3.3 DESCRIPTION OF RESPONDENTS

Over a six week period in the summer of 2008 the targeted ethnic minority groups were surveyed across Ireland. At the end of the data collection period a final response of 1,108 was achieved[11]. The majority of responses (81%) were obtained through online distribution of the questionnaire using a standard survey software package. Meanwhile 15.5% of responses were obtained through the traditional postal questionnaire method, while the remaining 3.5% came from direct administration of the questionnaire. Thus, the first research aim of surveying approximately 1,000 foreign nationals was satisfied.

On completion of the survey process an analysis of the demographic profile of all respondents was undertaken. This step was necessary in order to assess how representative respondents surveyed were to the actual population of persons from EU 10, Other Eastern European, Asian and African states resident in Ireland. Data from Census 2006 was used for comparison in respect of: (i) ethnic group, (ii) gender, (iii) age, (iv) education level, (v) economic status, and (vi) geographic distribution. This is now subject to further elaboration.

3.3.1 Ethnic group

Figure 3.1 compares the ethnicity of persons surveyed over the course of this research to the four main ethnic groups in Ireland recorded in Census 2006. It is evident that the proportion of respondents belonging to each of the four main ethnic groups under study is broadly comparable to Census 2006 data. Of those surveyed in this research, 44.6% are classified as part of the EU 10 ethnic group, 24.3% are Asian, 17.5% are African, and 13.6% are Other Eastern Europeans. The corresponding percentages as recorded in Census 2006 are as follows: EU 10 (53%), Asian (20.7%), African (15.5%) and Other Eastern Europe (10.7%). In Table 3.3 a breakdown of the nationalities that fall within the four main ethnic minority groups surveyed for this research is shown.

[11] While over one thousand foreign nationals started the questionnaire, a number did not complete all questions or went no further than the first section separating those who owned a business from those who did not own a business. This is to be expected owing to the limited English language abilities of many foreign nationals in Ireland.

3.3.2 Gender, Age, Education

The demographic profile of respondents in relation to gender, age and education is also compared to Census 2006 data. This is shown in Table 3.4. In comparing the gender of ethnic minority respondents to data from Census 2006 it is apparent that equivalence holds between the two. The gender composition of respondents – male: 57%, female: 43% - is almost identical to that recorded in Census 2006.

Some differences are observable in the age profile of respondents versus the age profile of the four main ethnic minority groups recorded in Census 2006. Approximately 14% of respondents are between the ages of 15-24. The comparable Census figure is 25.7%. In the 25-44 age range, 78.8% of respondents are within this range while the corresponding percentage from Census 2006 is lower at 66%. The percentage of respondents in the 45-64 and 65+ age categories at 7% and .2% respectively is similar to the 8% and .5% of persons within these two age categories in Census 2006.

The education profile of respondents differs from Census 2006. Approximately 60% of surveyed respondents have obtained a third level degree and a further 19% have obtained a non-degree third level qualification. This can be contrasted with 30% of ethnic minority persons in Census 2006 that have reached a third level degree standard of education and 7.3% who have reached a third level non-degree standard. Respondents in this research are, on average, better educated than the ethnic minority population in Ireland as a whole.

3.3.3 Economic Status

The economic status of respondents evinces a similar pattern to that recorded in Census 2006. From Table 3.5, 66% of respondents are 'working for payment or profit' in comparison to 70% of similar economic status in Census 2006. A slightly higher proportion of surveyed respondents fall into the 'looking for first job', unemployed, full-time student and 'unable to work due to sickness/disability' categories while a slightly

lower proportion of surveyed respondents are categorised as 'looking after home/family, retired or other relative' in Census 2006.

3.3.4 Geographic Distribution

The geographic distribution of respondents closely approximates with the geographic distribution of the four main ethnic minority groups recorded in Census 2006. A slightly higher number of surveyed respondents are located in Dublin, Munster and Ulster and a slightly lower number of respondents are located in Leinster (excl. Dublin) and Connacht in comparison to the geographic spread of ethnic minorities recorded in Census 2006 (refer to Table 3.6).

Fig.3.1: Ethnicity of Surveyed Respondents v. Census 2006

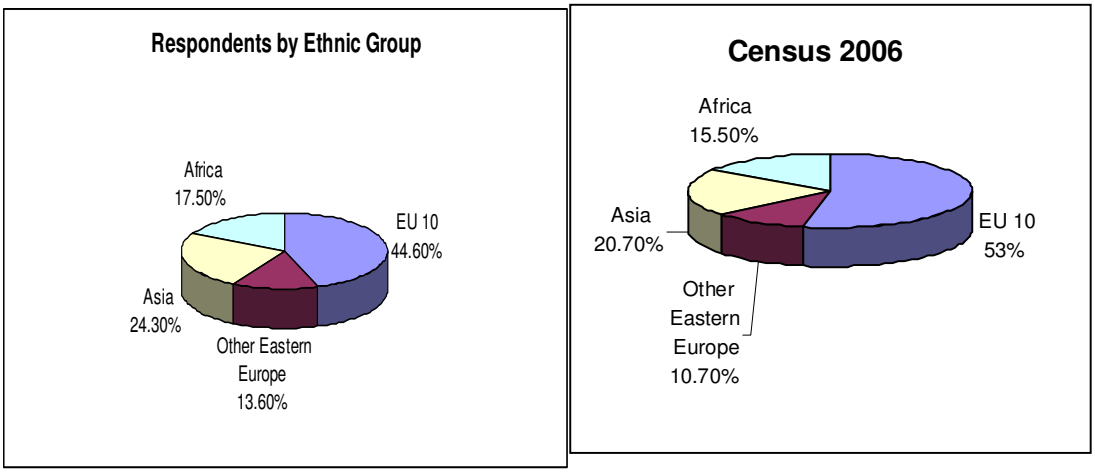


Table 3.3: Respondents by Ethnic Grouping and Nationality

EU 10		Other Eastern European		Asia		Africa	
Poland	22%	Russia	5.9%	India	9.8%	Nigeria	7%
Slovakia	11.8%	Romania	3.7%	China	8.4%	Zimbabwe	1.9%
Lithuania	6%	Ukraine	2.1%	Indonesia	1.9%	Rest of Africa	8.6%
Latvia	2%	Belarus	.8%	Philippines	1.7%		
Estonia	1%	Other	1.1%	Korea	.6%		
Czech Rep.	1%			Other	1.9%		
Hungary	.8%						
	44.6%		13.6%		24.3%		17.5%

n = 815, Table X: % of Respondents in each ethnic group by nationality

Table 3.4: Demographic Profile of Respondents v. Census 2006

Gender			Age			Education		
	Survey Respondents	Census 2006		Survey Respondents	Census 2006		Survey Respondents	Census 2006
Male	57%	56.6%	*15-24 yrs*	14%	25.7%	*Primary*	2%	5.7%
			25-44 yrs	78.8%	66%	*L Second*	3%	10.6%
			45-64 yrs	7%	7.8%	*H Second*	16%	45.9%
Female	43%	43.4%	*65+ yrs*	.2%	.5%	*Diploma*	19%	7.3%
						Degree	60%	30.5%
	100%	100%		100%	100%		100%	100%

Table 3.5: Economic Profile of Respondents v. Census 2006

Economic Status	Survey Respondents	Census 2006
Working for Payment/Profit	66%	70%
Looking for First Job	5%	3.8%
Unemployed	10.7%	6.7%
Full-Time Student	12.7%	9%
Looking after Home/Family	4.6%	7%
Retired	.5%	1.9%
Unable to Work due to Sickness/Disability	.5%	.9%
TOTAL	100%	100%

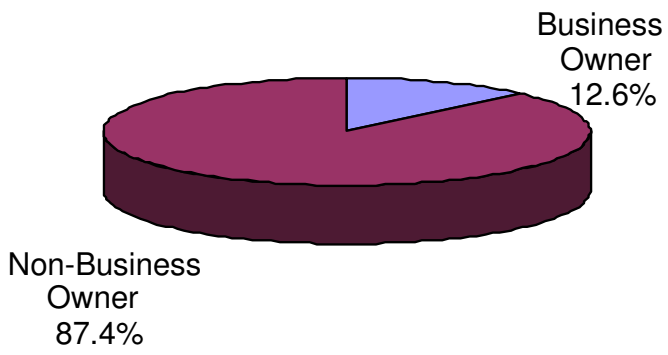
Table 3.6: Geographic Distribution of Respondents v. Census 2006

Geographic Distribution		
	Survey Respondents	Census 2006
Dublin City and County	48%	42.4%
Leinster (excl. Dublin City and County)	17%	23%
Munster	23.8%	21.9%
Connacht	7%	8.6%
Ulster (three counties)	4.2%	4.1%

3.4 RESEARCH OBJECTIVE 1: EXTENT OF ETHNIC BUSINESS OWNERSHIP

The first objective of the research was to determine the rate of business ownership among the four main ethnic minority groups – EU 10, Other Eastern Europe, Asia and Africa - living in Ireland. Of the 1,108 foreign nationals surveyed from the aforementioned ethnic minority groups, 12.6% claim to be the owner or part owner of a business in Ireland. As the total number of respondents is over 1,000 it is permissible to state that, on the basis of this nationwide survey, with a margin of error of +/-2%, that 12.6% of adult foreign nationals from the four main ethnic minority groups in Ireland cited above are the owners or part owners of a business[7].

Fig. 3.2: Rate of Business Ownership among Ethnic Minority Persons in Ireland, 2008



It is of note that the rate of ethnic business ownership reported in this study is higher than Census 2006 indications. Of the 1,637,326 Irish nationals recorded as working for payment or profit in Census 2006, approximately 17.5% are categorised as 'employer/own account worker'. In contrast, of the 275,200 non-Irish nationals recorded

[7] As is standard with samples of 1,000, allowance must be made for a margin of error of +/- 2% in respect of the rate of business ownership.

as working for payment or profit, 7.8% are categorised as 'employer/own account worker'. Therefore, on the basis of Census 2006 figures, higher rates of self-employment exist among the Irish population relative to the non-Irish population cohort.

Within the non-Irish cohort of the population recorded in Census 2006 significant variation exists across ethnic groups in respect of the percentage of persons classified as 'employer/own account worker'. These are detailed in Table 3.7. Nationals from the UK exhibit levels of self-employment comparable to Irish nationals. Conversely, among nationals from the EU 10 states and non-EU states, rates of self-employment are considerably lower relative to that of the Irish population. The significant difference between the rate of ethnic business ownership determined in Census 2006 versus the rate of ethnic business ownership determined through this nationwide survey in summer 2008 could be explainable by: (i) the continuing increase in immigration inflows that Ireland has experienced since Census 2006 was conducted, resulting in a greater pool of immigrants from which ethnic entrepreneurs might emerge, and (ii) the intervening two years in which recently arrived immigrants may have embarked on a business venture. The latter explanation is supported by the finding of this research (Section 3.6.2) that the majority of ethnic businesses have operated for no more than two years.

Table 3.7: Economic Status of Irish and Non-Irish Nationals, Census 2006

Nationality	Employer/Own Account Worker	Employee
Irish	17.5%	82.5%
Non-Irish	7.8%	92.2%
-UK	17.5%	82.5%
-EU 15	9.3%	90.7%
-EU 10	2%	98%
-All other Non-Irish	7.2%	92.8%

3.4.1 International Comparisons

The reported rate of ethnic minority business ownership from this study is consistent with that found in other immigrant countries. In Britain, the 1991 Census estimated that 15.1% of ethnic minority persons are self-employed. This percentage reduces to 6.3% when only those who are self-employed with employees are measured [27]. More recent labour force surveys from England/Wales adjudge the self-employment rate among the ethnic minority population as a whole to be 11% [8]. In Canada, census data from 1996 indicates that self-employment among ethnic minority groups is in the range of 15% [28]. In the Netherlands, the overall rate of ethnic minority business ownership has been put at 10.1% [10]. In all immigrant countries wide variation is found to exist between the rate of business ownership across different ethnic minority groups and nationalities. For some ethnic minority groups the rate of business ownership far outstrips that of the indigenous population while other ethnic minority groups have rates that are comparable to or less than the indigenous population as a whole. For the purposes of this research, the rate of ethnic entrepreneurial activity was examined in aggregate, meaning that a determination on the rate of business ownership across the four ethnic groups in Ireland is not made.

3.5 RESEARCH OBJECTIVE 2: MAPPING ETHNIC ENTREPRENEURSHIP

The second research objective was to map in detail ethnic entrepreneurial activity in Ireland in 2008. Owners or part owners of businesses in Ireland were identified through a nationwide survey of ethnic minority groups. From this, information was gleaned on the nature of their businesses in addition to their interaction with the Irish business environment. In mapping ethnic entrepreneurial activity in Ireland, attention was paid to eight areas. These are as follows: (i) Ethnic Business Characteristics, (ii) Ethnic Owner Characteristics, (iii) Challenges Facing Ethnic Entrepreneurs, (iv) Access to Finance, (v) Business Skills, (vi) Business Training Programmes, (vii) Network Connections, and (viii) Business Performance. Collated data on each of these areas is subject to analysis in the proceeding sections.

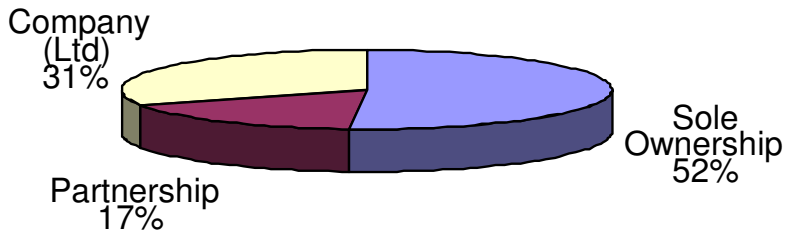
3.6 BUSINESS CHARACTERISTICS

This section provides a detailed analysis of the characteristics of ethnic businesses surveyed. Data pertaining to business ownership type, age range, geographic location, industry profile, size, market focus and international business activity provide an overall impression of defining ethnic business characteristics.

3.6.1 Form of Ownership

In Fig. 3.3 it can be seen that 52% of ethnic businesses are sole ownership entities. 17% are classified as partnerships while just under one third of the sample (31%) consists of limited companies. The high rate of sole ownership is an initial indication that ethnically owned businesses in Ireland are small in size.

Fig. 3.3 Form of Ownership

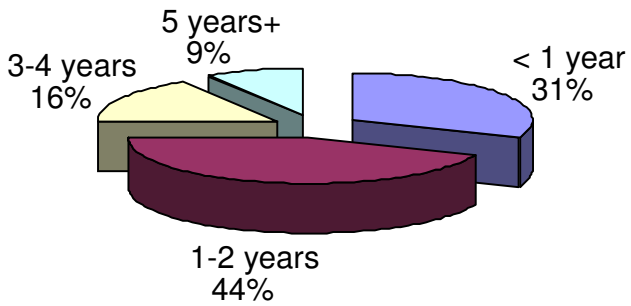


3.6.2 Age of Business

The age profile of ethnically owned businesses demonstrates that the majority are only recently established. Exactly 75% of the ethnic business respondents are no more than 2 years old. Of the remaining 25%, 16% are recorded as being in operation for 3-4 years while only 9% have been in operation for 5 years or more. The fact that ethnic businesses evince a young age profile is reflective of immigration being a relatively recent

phenomenon for Ireland. A full breakdown of the age profile of ethnic businesses is given in Fig. 3.4.

Fig. 3.4 Age of Business



n = 80

3.6.3 Geographic Distribution

The ethnic businesses recorded in this sample are of a wide geographic spread, encompassing 13 counties. To be expected, Dublin accounts for the highest percentage of ethnically owned businesses (45%), followed by Cork (15%), Louth (12.5%) and Galway (7.5%). Obtaining a wide geographic spread is important in order to ensure the sample is representative of the ethnic business population in Ireland. Table 3.8 details the geographic distribution of ethnic businesses surveyed.

Table 3.8: Geographic Location of Ethnic Business Respondents

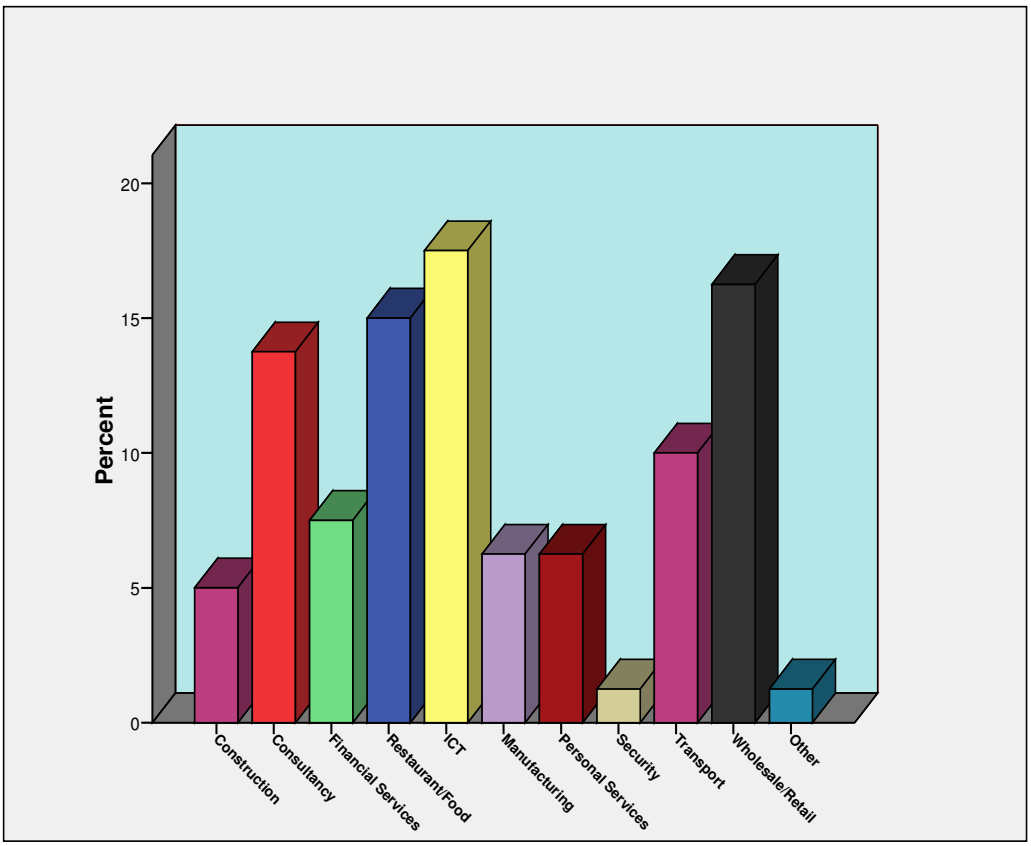
Dublin	45%
Cork	15%
Louth	12.5%
Galway	7.5%
Mayo	5%
Kildare	3.8%
Kilkenny	3.8%
Cavan	1.3%
Clare	1.3%
Leitrim	1.3%
Meath	1.3%
Monaghan	1.3%
Waterford	1.3%

n = 80

3.6.4 Industry Profile

Ethnic businesses are recorded as operating across a broad range of industries, illustrated in Fig. 3.5. The information, communications, technology (ICT) sector contains the highest number of ethnic businesses at 17.5%. In line with ethnic business trends in other countries, the restaurant/food and wholesale/retail sectors feature prominently, accounting for 15% and 16 % of the sample respectively. Consultancy, particularly in relation to translation services and cultural integration advice, also accounts for a significant number of ethnic businesses (13.5 %), as does the provision of transport services (10%). The remainder comprises businesses located in the financial sector (7.5%), personal services (6%), manufacturing (6%), construction (5%), security (1%), and miscellaneous businesses (2.5%).

Fig. 3.5 Industry Profile



In Tables 3.9 – 3.11, an analysis of the four main industries in respect of number of full-times employees, sales turnover and percentage of customers in international markets is presented. This allows a clear picture to emerge of the nature of ethnic businesses in Ireland and the industries in which they compete.

Table 3.9: Breakdown of the Four Main Industries by Employment Profile

	No. of Full Time Workers			
	None	**1-5**	**6-10**	**>10**
ICT	57%	36%	7%	-
Wholesale/Retail	54%	46%	-	-
Restaurant/Food	25%	58%	17%	-
Consultancy	82%	18%	-	-

Table 3.10: Breakdown of the Four Main Industries by Sales Turnover

	Sales Turnover			
	<50,000	**50,-100,000**	**101-500,000**	**501,-1,000,000**
ICT	71%	-	29%	-
Wholesale/Retail	55%	15%	15%	15%
Restaurant/Food	42%	50%	8%	-
Consultancy	82%	18%	-	-

Table 3.11: Breakdown of the Four Main Industries by % of International Customers

	% of International Customers					
	0%	**<10%**	**11-20%**	**21-30%**	**31-50%**	**>50%**
ICT	21%	29%	7%	-	29%	14%
Wholesale/Retail	38%	15%	23%	8%	8%	8%
Restaurant	50%	25%	9%	8%	-	8%
Consultancy	64%	9%	9%	-	9%	9%

3.6.5 Size (as measured by number of employees)

The first measure of the size of ethnic businesses is the number of workers in employment. Respondents were questioned as to the number of full-time and part-time staff that they employed. Additionally, respondents were requested to state the number of full-time and part-time staff they expect to employ 5 years from now. The information for the current employment profile of ethnic businesses is contained in the white columns of Table 3.12. The information for the projected employment profile of ethnic businesses 5 years from now is contained in the yellow columns of Table 3.12.

Table 3.12: Workforce Profile of Ethnic Businesses

No. of Full –Time Employees	% of businesses	% of businesses 5 years time	No. of Part-Time Employees	% of businesses	% of businesses 5 years time
0	57.5%	22.5%	**0**	58.8%	27.5%
1-5	36.3%	42.5%	**1-5**	35%	42.5%
6-10	5%	27.5%	**6-10**	3.8%	18.8%
11-19	0%	1.3%	**11-19**	0%	3.8%
20+	1%	5%	**20+**	2.5%	6.3%

n = 80

Employment Profile of Ethnic Businesses at Present

In respect of the number of full-time workers employed at present, 57.5% of ethnic businesses employ no full-time workers. A further 36.3% employ between 1-5 full-time workers. This translates into 94% of the sample employing 5 or less full-time workers, leaving only 6% of ethnic business respondents employing 6 or more full-time workers. This information is contained in the first white column of Table 3.12.

A similar situation obtains in relation to the employment of part-time workers. 58.8% of respondents have no part-time workers and 35% have between 1-5 part-time workers. Again, this translates into almost 94% of respondents employing 5 or less part-time workers. Approximately 6% of the sample employs 6 or more part-time workers. This information is contained in the second white column of Table 3.12.

Projected Employment Profile of Ethnic Businesses 5 years from now

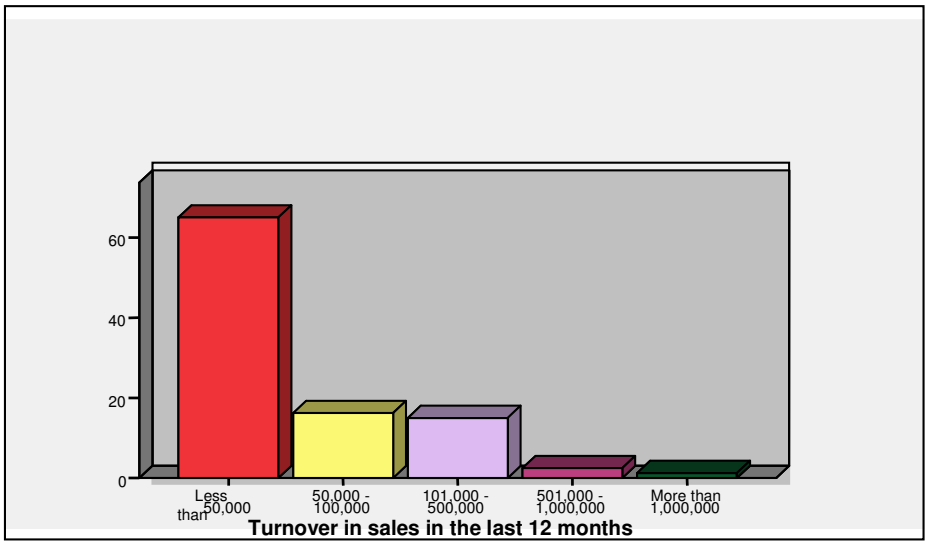
In addition to assessing the level of current employment within ethnically owned businesses, expected future employment levels are also analysed. Ethnically owned businesses exhibit some expectation of employment growth for both full-time and part-time workers. A breakdown of employment projections for ethnic entrepreneurs in Ireland five years from now is detailed in the yellow columns of Table 3.12.

The projected employment growth is of a low-moderate nature. To illustrate, the percentage of business expecting to employ between 6-10 full-time workers in 5 years time is 27.5% compared to the present figure of 5%. The percentage of business expecting to employ between 6-10 part-time workers in 5 years time is 18.8% compared to the present figure of 3.8%. In terms of employing 11 or more full-time employees five years from now, 6.3% of ethnic businesses envision such a situation.

3.6.6 Size (as measured by sales turnover in the last 12 months)

Sales turnover in the last 12 months is the second direct measure of ethnic business size.

Fig. 3.6 Sales Turnover

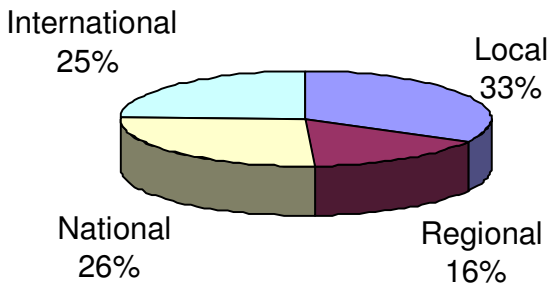


Approximately 65% of ethnic businesses are recorded as generating less than 50,000 euro in sales revenue over the last 12 months, 16.3% fall within the 50,000 – 100,000 euro sales revenue category, while 15% are within the 101,000 – 500,000 category. Only 3.8% of ethnic businesses are recorded as earning over 501,000 euro. On the basis of sales revenue the preponderance ethnic businesses are very small scale operations

3.6.7 Market Focus

Ethnic business respondents have a presence in local, regional, national and international markets. The precise breakdown of their market foci is given in Fig.3.7. The local market is the predominant focus for ethnic businesses (33%). Approximately 16% of respondents are competing in the regional market, while 26% have the national or all-Ireland market as their focus. Some ethnic business respondents are recorded as having multiple market foci, in that they compete at the sub-national, national and international level.

Fig. 3.7 Market Focus of Ethnic Businesses



In the case of 25% of ethnic businesses there is an international dimension to their operations. Further to this, respondents were questioned as to their intentions to compete in international markets in 3 years time. Just over half of the sample (51%) indicated an intention to compete in international markets 3 years from now. This constitutes a

doubling of the present 25% of ethnic businesses with some degree of international market exposure. Almost half of the sample (49%) did not envisage any international dimension to their business operations in 3 years time.

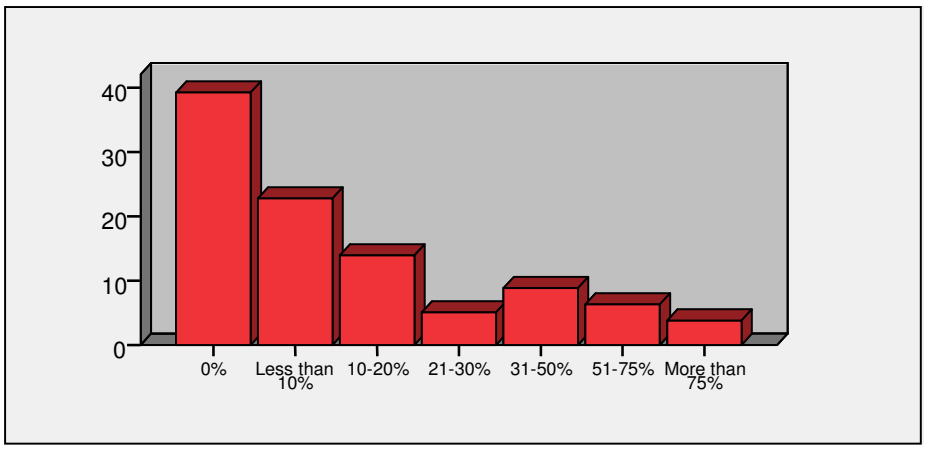
3.6.8 International Business Activity

Commercial engagement with overseas markets is an area of relevance to research on ethnic business activity. In the course of surveying ethnic businesses in Ireland several measures were used to analyse the extent and scope of their international business activity. This involved measuring the international customer base of ethnic business respondents as well as examining any business relations between the ethnic entrepreneur and his/her country of origin.

International Customers

Firstly, respondents were asked to estimate the percentage of customers located in overseas markets. From Fig. 3.8 it can be seen that almost 40% of respondents have no customers outside the Irish market, while 22.5% estimate that less than 10% of their

Fig. 3.8: Percentage of Customers in International Markets



n = 79

customer base lies outside Ireland. Taking these two statistics together, 62.5% of ethnic businesses in this sample have either none or a marginal number of customers in

international markets. The remaining 37.5% of respondents have varying degrees of their customers located in international markets. For 10% of respondents, approximately half of their customer base is outside the Irish market. For these businesses the international market can be considered their primary focus.

No discernible pattern is evident among the various nationalities or even four main ethnic categories in respect of international sales. For most respondents, their business operations do not involve an international sales dimension. For the minority of respondents engaged in some type of international business activity, those from outside the EU are as likely as those from within the EU to have an international dimension to their business.

Business Relations with Country of Origin

The relationship between ethnic entrepreneurs and their country of origin is the second aspect germane to assessing the international business activity of ethnic businesses. For the purposes of this research respondents were surveyed as to their import and export activity with their country of origin, the provision of services to their country of origin and sales to their country of origin. This information is provided in Table 3.13. The findings reveal that, on the whole, the majority of ethnic businesses do not import from, export to, or provide services in their country of origin.

Table 3.13: Business Activity with Country of Origin

	Yes	**No**
Source products from country of origin (n=79)	46.8%	53.2%
Export products to country of origin (n=76)	27.6%	72.3%
Provide services to country of origin (n=76)	34.2%	65.8%

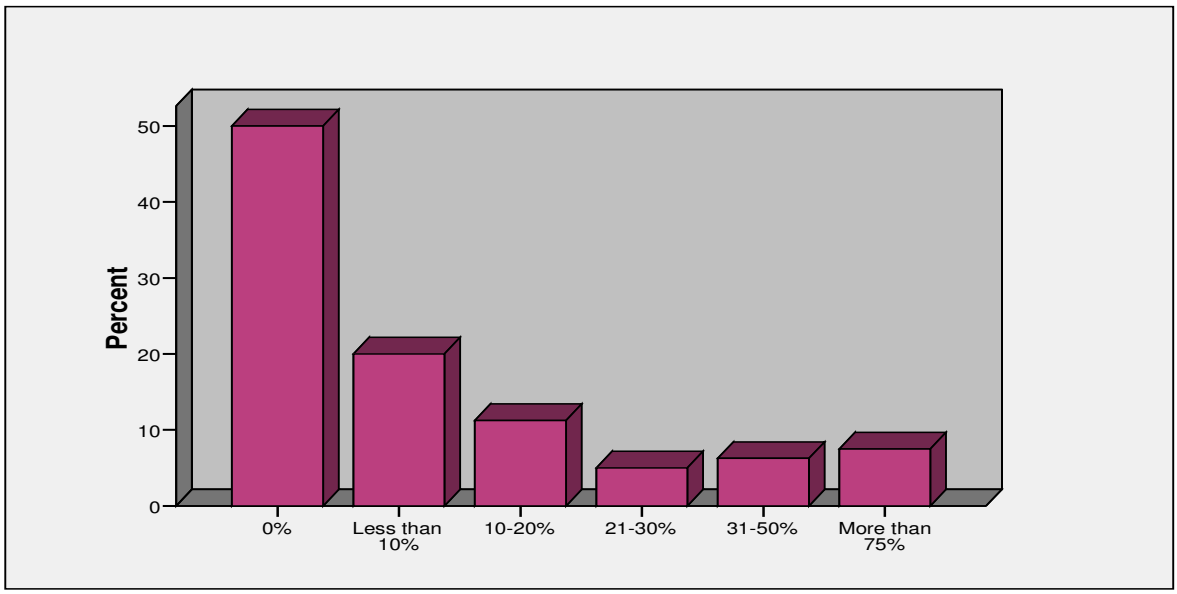
For businesses that do have some business engagement with their country of birth, sourcing products is the most common activity. 46.8% of ethnic businesses state that they source products for their business from their country of origin. Only 27.6% have any export involvement with their country of origin. In terms of the provision of services in

their country of origin, 34.2% of ethnic business respondents state that this forms some part of their overall business operation.

Sales to Country of Origin

As a final gauge of international business activity respondents were asked to estimate the percentage of sales generated in their country of origin. Fig. 3.9 illustrates that the level of sales by ethnic businesses in Ireland to their country of origin is relatively low. Half the respondents report no sales to their country of origin. A further 20% of respondents attribute less than 10% of total sales to their country of origin. The remaining 30% of ethnic entrepreneur respondents report varying levels of sales to their country of origin. This low level of sales to country of origin is reflective of the predominant focus by ethnic businesses on the Irish market, whether local, regional or all-Ireland.

Fig. 3.9 Sales to Country of Birth



n = 80

It may be regarded as somewhat surprising that greater business interaction with respondents' countries of birth was not evident in the results as it might have been anticipated that returning to one's native land to secure business sales was a strong possibility. However, the role of the local 'ethnic fixer' identified later in the report might

help to explain this finding. The overall profile of the ethnic business characteristics are summarised in Table 3.14.

3.7 OWNER CHARACTERISTICS

This section deals with the characteristics of ethnic business owners surveyed in the course of this research. Respondents were questioned as to their status in Ireland prior to the establishment of their business, previous business experience, causal factors for pursuing self-employment, and the primary motivation for them to become a business owner. A profile of respondents in term of gender, age, educational attainment and ethnic grouping is also compiled.

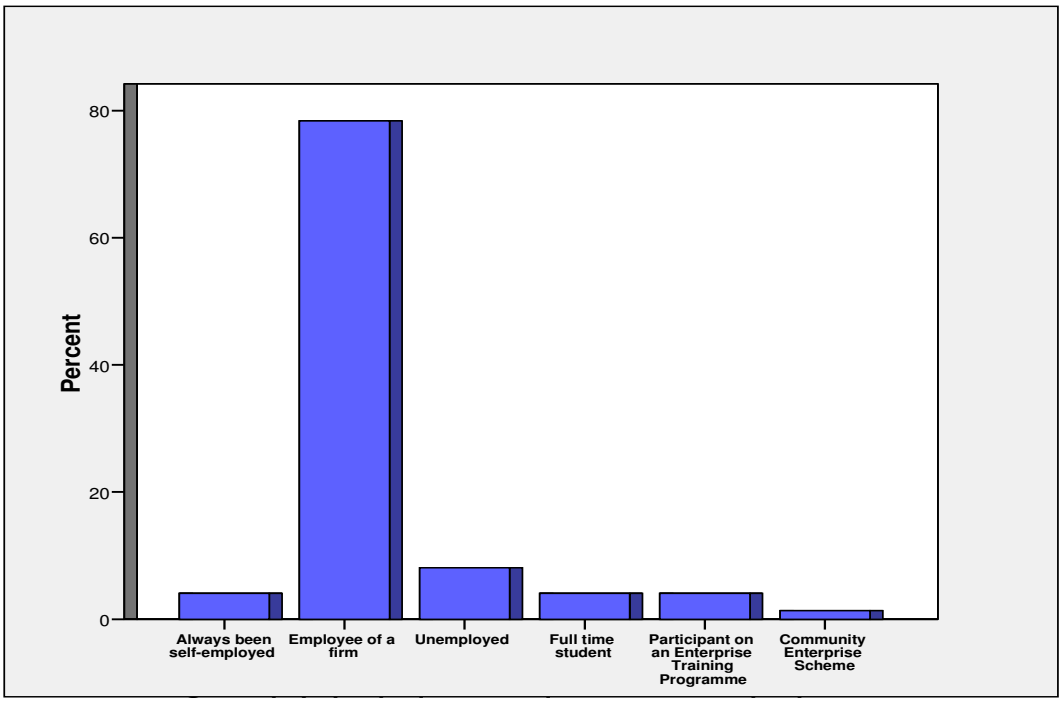
Table 3.14: Summary of Ethnic Business Characteristics

- Sole ownership is the predominant form of legal ownership for ethnic businesses (52%) followed by limited company (31%) and partnership (17%)
- 75% of ethnic businesses are in operation for two years or less
- The four main sectors in which ethnic businesses compete are ICT, wholesale/retail, restaurant and consulting
- 94% of ethnic businesses employ 5 or less full-time staff. Also, 94% of ethnic businesses employ 5 or less part-time staff
- 65% of ethnic businesses generated 50,000 euro or less in sales revenue in the last 12 months
- For 75% of ethnic businesses the Irish market is their primary market focus
- 40% of ethnic businesses have no customers outside the Irish market while the remaining 60% have varying levels of customers outside the Irish market
- A minority of ethnic businesses import products from their country of origin (46.8%), export products to their country of origin (27.6%) or provide services in their country of origin (34.2%).

3.7.1 Status in Ireland Prior to Business Ownership

The majority of ethnic business owners (78%) in Ireland were employees before initiating their own business start-up. Only 4% have always owned a business since arriving in Ireland. The previous status of other respondents is recorded as unemployed (8%), full-time student (4%) and participant on an enterprise training programme (4%).

Fig. 3.10 Status Previous to Self-Employed Business Owner



n = 74

3.7.2 Previous Business Ownership

37.8% of respondents previously owned a business in their country of origin (a listing of the sectors in which those who previously owned a business competed is given in Table 3.15). This leaves approximately two thirds of respondents (62.2%) who, upon establishing their business start-up in Ireland, were business novices.

Table 3.15: Profile of the Sectors in which Previous Business Owners Competed

Consultancy	Public Relations
Design	Retail
Electronics	Security
Fashion Design	Services
Fitness	Textiles
IT	Translation
Optician	Transport
Painting & Decorating	Travel Agency
Personal Services	Real Estate
Printing	

Previous Business Ownership and Sales Turnover

No relationship is evident between previous business ownership and sales turnover. Of those who did own a business prior to their arrival in Ireland, 68% report sales turnover of less than 50,000 euro. This is similar to the reported turnover of ethnic entrepreneurs who did not own a business previous to starting one in Ireland, with 65% of business novices reporting sales turnover of less than 50,000 euro over the last twelve months.

Previous Business Ownership and Percentage of International Customers

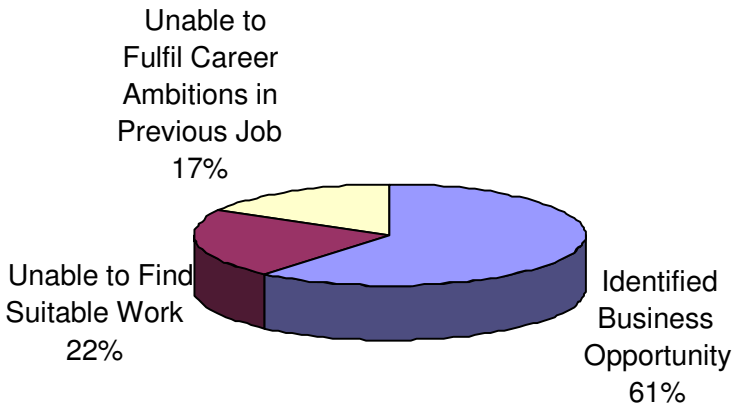
Previous business ownership is not found to act as a predictor of international business activity among ethnic entrepreneurs. Almost two-fifths (39%) of respondents with a previous experience ownership have no international customers, which is comparable to the 42% of business novices with no international customers.

3.7.3 Causal Factors for Starting a Business in Ireland

Much debate has occurred in academic studies on ethnic entrepreneurship as to the factors that cause ethnic minority persons to initiate their own business venture. According to some contributors, ethnic entrepreneurs gravitate towards self-employment as a result of limited opportunities for career progression in the open labour market. In this sense it is suggested that ethnic minorities are 'pushed' into self employment. This

thesis is countered by other contributors who assert that ethnic entrepreneurs are less pushed and more pulled to starting up their own business through the identification of promising business opportunities. In examining what caused respondents to establish their own business in Ireland, three options were presented to them: (i) business opportunity in the market, (ii) unable to find suitable work, (iii) unable to fulfill career ambitions as an employee. This is aimed at determining if ethnic entrepreneurship in Ireland is primarily opportunity driven or need driven.

Fig. 3.11: Causal Factors of Ethnic Business Start-Ups in Ireland

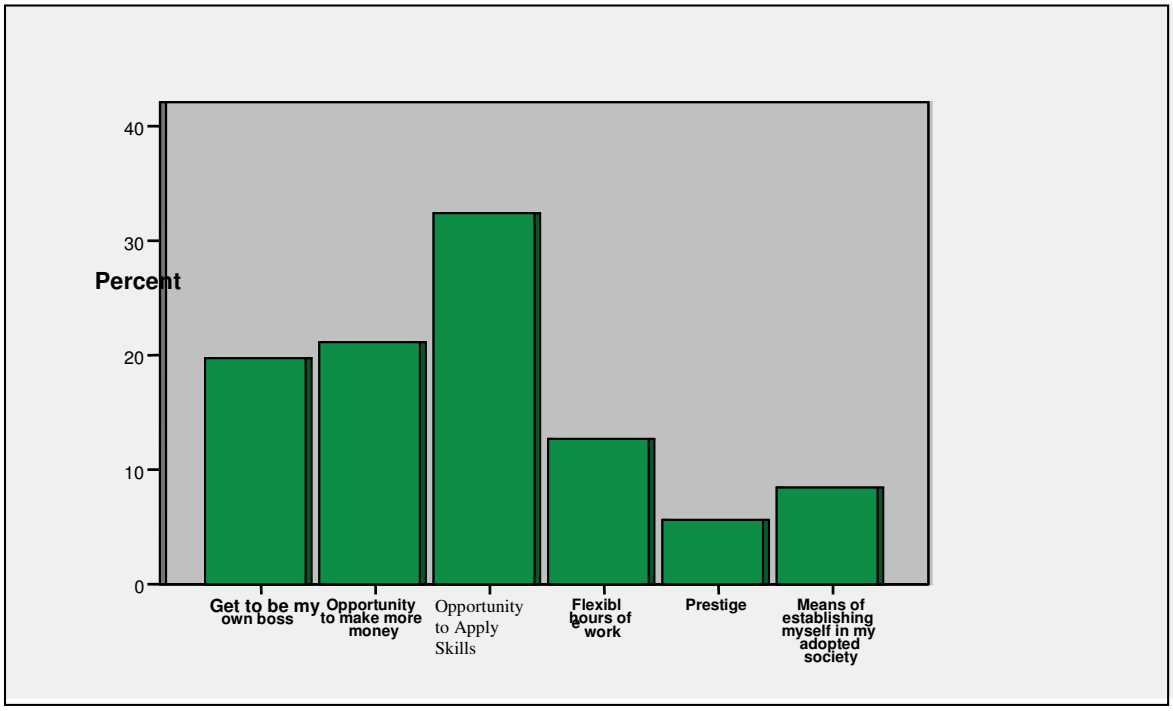


The identification of a promising business opportunity is cited by the majority of ethnic entrepreneurs as the driving force behind taking the decision to start a business (61%). As such, the majority of respondents can be described as opportunity driven entrepreneurs. Difficulties in securing suitable employment and dissatisfaction with their employment situation are cited by the remaining respondents as the factors that impelled them to self employment. Approximately 22% identified difficulties in locating suitable employment as the primary reason why they took the decision to start their own business, while 17% identified limited or blocked opportunities to apply themselves in their previous work roles as the precise factor that pushed them towards starting out on their own. Fig. 3.11 illustrates the causal factors associated with ethnic business start-ups in Ireland.

3.7.4 Main Advantage of Self-Employment

Eliciting what ethnic entrepreneurs consider to be the main advantage of owning their own business is instructive in understanding the motivations of ethnic entrepreneurs. Moreover, it provides an insight into why people are likely to remain self-employed. While the ethnic entrepreneur has traditionally been portrayed as motivated solely by the desire for economic advancement, contemporary research reveals that, similar to indigenous entrepreneurs, it is intrinsic factors that explain for the most part why ethnic minority persons are drawn to and stay with self-employment.

Fig. 3.12 Main Advantage of Self-Employment



Results from the survey show that "the opportunity to apply skills and talents" is perceived to be the main motivating factor for ethnic entrepreneurs in establishing their own business, with 32% of the respondents selecting this option. Interestingly, this exceeds the 21% who cited the possibility of making more money as the most attractive feature of business ownership. 'Getting to be their own boss' emerges as the third highest advantageous aspect to business ownership with 20% of respondents selecting this

option. Other advantages of business ownership cited include flexible working hours (13%), prestige associated with business ownership (5.5%) and business ownership as a means of establishing oneself in a foreign country (8.5%). These are shown in Fig. 3.12.

3.7.5 Personal Profile of Ethnic Entrepreneurs

Table 3.16 profiles the ethnic entrepreneurs surveyed in this research in terms of gender, age, and educational attainment. Ethnic business owners are predominantly male, relatively young in age, and with a high level of educational attainment. A detailed breakdown of the areas in which the respondents have secured third level qualifications is given in Table 3.17. The social sciences/business/law academic category contains the highest percentage (41%) of ethnic entrepreneurs who have secured a third level qualification. Other third level qualification holders are spread out over 10 different academic areas.

Table 3.16: Personal Profile of Ethnic Entrepreneurs

Gender		Age Range		Educational Attainment	
Male	78%	25-44	94%	Non-Third Level	17.5%
Female	22%	44-65	6%	Third level (Diploma/Degree)	82.5%

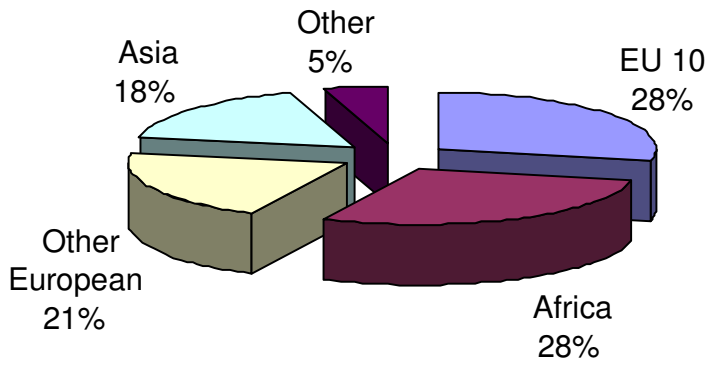
Table 3.17: Third-Level Qualification Profile of Ethnic Entrepreneurs

Education	7%
Humanities	15%
Social Science/Business/Law	41%
Life Science	2%
Computing	11%
Engineering/Manufacturing/Construction	11%
Agriculture	2%
Health	2%
Social Services	2%
Services	7%

Ethnic Grouping

A breakdown of the main ethnic groups to which the ethnic entrepreneurs belong is provided in Fig. 3.13. EU 10 persons (Poland, Lithuania, Latvia, Slovakia, Czech Rep., Estonia, Hungary, Slovakia, Malta and Cyprus) comprise 28% of the ethnic entrepreneurship sample. Other European persons (including Romanians, Russians) account for 21% of the sample. In total, 49% of ethnic entrepreneurs are from Central or Eastern Europe. African nationals account for 28% of ethnic entrepreneurs, Asians 18%, with the remaining 5% from "Other" nations.

Fig. 3.13 Ethnic Grouping of Business Owners



n = 62

3.8 CHALLENGES FACING ETHNIC ENTREPRENEURS

This section examines the challenges confronting ethnic entrepreneurs. Firstly, respondents' experience of discrimination from myriad economic actors is assessed. Secondly, the business challenges considered most pressing by respondents are identified.

3.8.1 Discrimination

Studies from across a range of immigrant countries suggest that wariness and hostility from mainstream society is a problem frequently encountered by ethnic business persons. This can assume various manifestations, ranging from gaining the trust of local suppliers to securing finance from financial institutions.

Respondents in this survey were asked if they had experienced discrimination from the main actors within the Irish business environment. In the case of 5 out of 6 categories of business actors listed in Table 3.18, the majority of ethnic entrepreneur respondents had not experienced discrimination in the course of running their own business. Only in the case of customers did a slight majority of respondents (51%) report having experienced some form of discrimination. The percentages of ethnic entrepreneurs who experienced discrimination from institutions and actors in the Irish business environment are detailed in Table 3.18 below.

Table 3.18: Experience of Discrimination in Ireland

Experienced Discrimination from…..	**Yes**	**No**
Financial Institution	40%	60%
Supplier	32%	68%
Customer	51%	49%
Competitor	36%	64%
Landlord	23%	77%
State Agency	22%	78%

n = 69

3.8.2 Main Challenges facing Ethnic Entrepreneurs in Ireland

While all nascent entrepreneurs experience challenges in the form of access to capital, access to business networks and an incomplete understanding of the industry in which they are aiming to compete, these challenges can be particularly acute in the case of entrepreneurs from ethnic minority backgrounds. There are also challenges unique to ethnic minority business persons relating to language, familiarity with the institutional and legal environment of the host country, and discrimination.

In examining the challenges facing ethnic entrepreneurs in Ireland presently, respondents were requested to select: (i) the three main challenges they perceive to be affecting ethnic minority business persons, and (ii) the three main challenges that they personally experience in the course of operating their business in Ireland. As such, challenges as perceived by respondents as well as challenges actually experienced by respondents are measured. These are presented in Fig. 3.14.

Challenges (Perceptual)

In measuring challenges perceived by ethnic entrepreneurs, (i) securing finance, (ii) gaining the trust of Irish business actors, and (iii) a general lack of familiarity with the workings of the Irish business environment emerge as the three main perceived challenges.

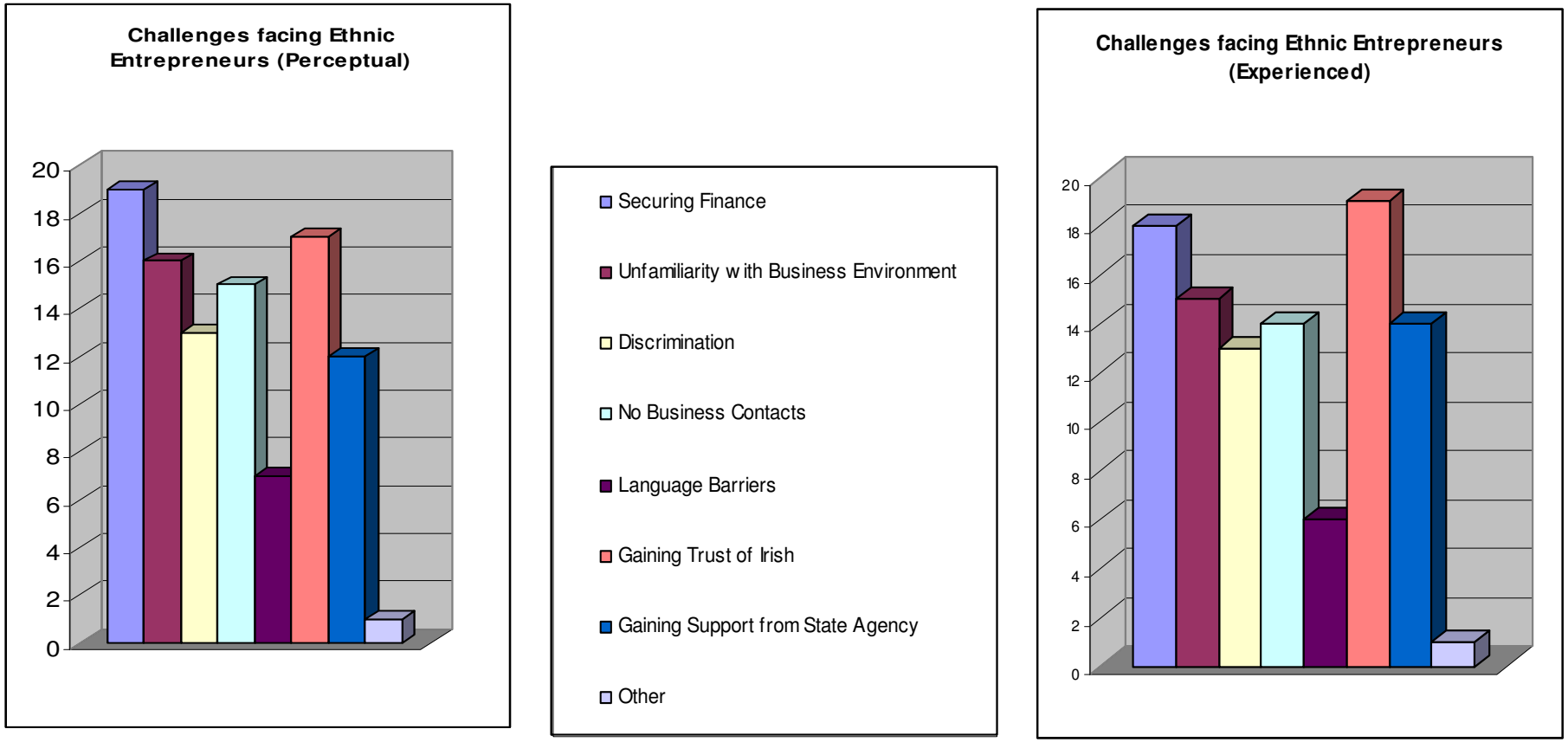
Challenges (Experienced)

In measuring challenges personally experienced by ethnic entrepreneurs, (i) gaining the trust of Irish business actors, (ii) securing finance, and (iii) a general lack of familiarity with the Irish business environment emerge as the three main experienced challenges.

Challenges (Perceptual) VS Challenges (Experienced)

The findings show that no significant difference exists between what respondents perceive to be the main challenges facing ethnic entrepreneurs in Ireland and what they themselves actually experience. While securing finance is the main perceived challenge confronting ethnic entrepreneur respondents, it is the second most frequently cited challenge experienced by them. Gaining the trust of Irish business actors is regarded by the respondents as the main challenge that they experience in running a business in Ireland.

Fig. 3.14 Challenges (Perceptual) and Challenges (Experienced)



3.9 ACCESS TO FINANCE

As expected, access to finance is cited by ethnic entrepreneurs in this research as among the greatest challenges they encounter in developing their business. This finding is consistent with international research which recognises the difficulties that ethnic minority persons are often confronted with in accessing finance from institutions. In order to create a more detailed depiction of ethnic entrepreneurs' experience of accessing and securing finance in Ireland, respondents were questioned as to (i) any effort made on their part to obtain finance from a variety of formal and/or informal sources, and (ii) the success or otherwise of their efforts to obtain finance. Additionally, information was sought on (iii) the reasons for attempting to secure finance, and (iv) sources of start-up capital for ethnic entrepreneurs.

3.9.1 Accessing Finance

In Table 3.19 the percentage of respondents who made some attempt to secure finance from five different sources is given. Banks/building societies are the main source from which respondents sought to obtain financial backing for their business. Approximately 60% of respondents approached a bank or building society in the last 2 years with a view to securing some form of financial backing. For each of the other sources of finance – credit unions, state agency or government funded scheme, family/friends and business acquaintances – only a minority of respondents approached them in order to obtain financial backing. In the case of business acquaintances, only 16% of respondents attempted to secure funds from this source.

Table 3.19: Access to Finance (n = 62)

	% 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	60%	78%
Credit Union	37%	70%
State Agency	30%	28%
Family/Friends	30%	89%
Business Acquaintances	16%	70%

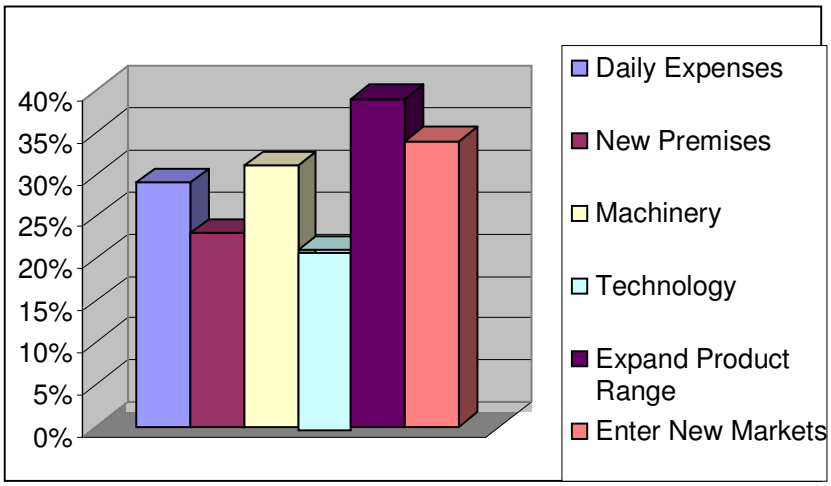
3.9.2 Securing Finance

For each respondent who attempted to obtain financial backing from one or more of the five sources listed in Table 3.19, the question was then posed as to their success or not in securing the desired funding. Of the 60% of respondents who made an approach to a bank or building society, 78% were successful in obtaining finance. Of the 37% of respondents who approached a credit union for funding, 70% of respondents report some success. Of the 16% of respondents who sought financial assistance from a business acquaintance, 70% managed to secure this assistance. The highest success rate in securing finance is for respondents who approached friends/family (89%). The lowest success rate is among those who requested financial assistance from a state agency/government funded scheme (28%).

3.9.3 Reasons for Accessing Finance

The reasons given by respondents for attempting to access finance are varied. Product expansion and market expansion rank highest at 39% and 34% respectively. Capital

Fig. 3.15 Reasons for Accessing Finance



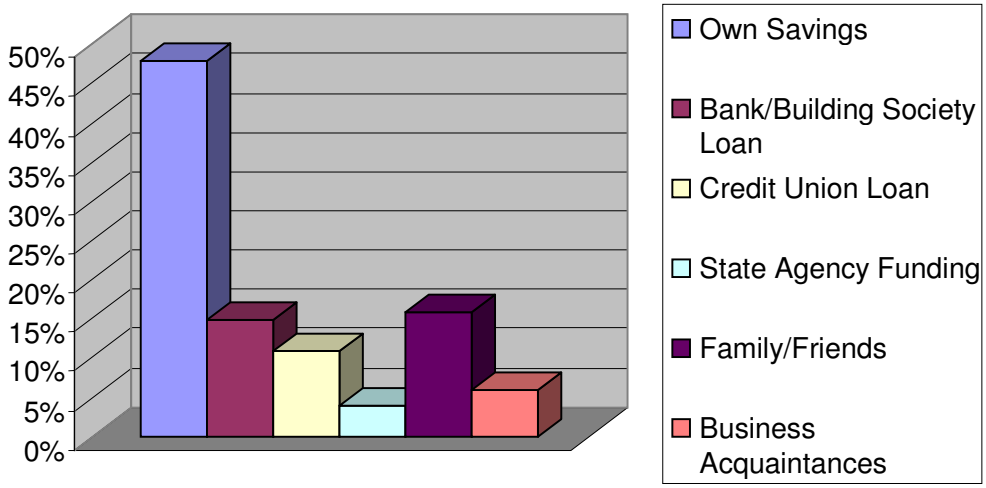
n = 62

expenditure in the form of investment in new technology and investment in new premises and buildings are low relative to the aforementioned reasons at 23% and 21% respectively. Fig. 3.15 records the reasons cited by ethnic entrepreneurs in Ireland for accessing third party finance.

3.9.4 Start-Up Finance

In assessing the source of capital used by ethnic entrepreneurs to establish their own business in Ireland, personal savings emerges as the dominant factor. Almost half of all respondents (47%) used their own savings to finance or part finance their business start-up. Family and friends is the second main source of start-up capital for ethnic entrepreneurs, with 16% of respondents making some use of this option. 15% of respondents relied on banks and buildings societies to assist them in the start up of their business while a slightly lower percentage (11%) availed of credit union funding. A marginal number of respondents made use of state agencies/government funded schemes (4%) and business acquaintances (6%) to establish the business.

Fig. 3.16 Source of Start-Up Capital for Business



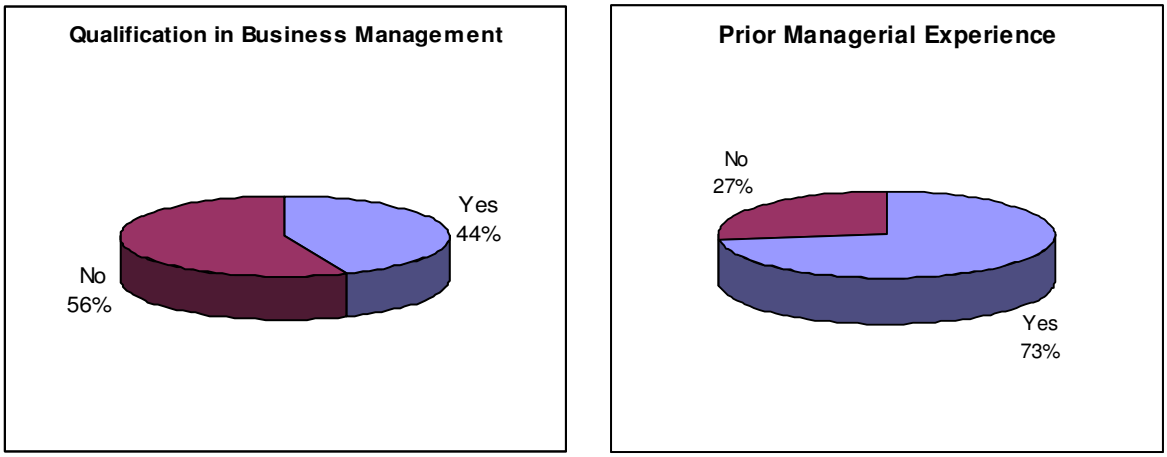
3.9.5 Bond Transfer

Intending ethnic entrepreneurs coming from outside the European Union are required to transfer at least 300,000 euro into Ireland as a condition for the granting of a business permit. For respondents in this research only 6% were affected by this stipulation. The remaining 94% of respondents did not transfer 300,000 to Ireland as part of the official process of registering their business.

3.10 BUSINESS SKILLS

The business skills profile of ethnic entrepreneurs is examined in relation to: (i) qualifications in business management, and (ii) prior managerial experience. Almost 44% of respondents have a formal qualification in business management leaving a slight majority of respondents with no formal business management qualification. Respondents rank higher when it comes to prior managerial experience. Nearly three quarters (73%) had experience in a managerial role previous to establishing their business. This is illustrated in Fig. 3.17.

Fig. 3.17 Business Qualifications and Previous Managerial Experience



n = 62

Neither a qualification in business management nor previous managerial experience is found to predict sales turnover in ethnic businesses. In other words, respondents who hold a professional business qualification or who have previous managerial experience do not, on average, report a higher level of turnover relative to respondents who do not hold a professional business qualification or who do not have the benefit of previous managerial experience.

3.10.1 Business Skills Evaluation

Research shows that limited professional business skills among ethnic entrepreneurs can stymie the development of their business operations. Undertaking a skills evaluation of ethnic entrepreneurs therefore presents itself as an area of interest in as much as it identifies present business skills deficiencies and highlights the areas in which ethnic entrepreneurs may require future training. In Table 3.20 an evaluation of the skills of ethnic entrepreneurs and their future training requirements is provided.

Table 3.20: Evaluation of Business Skills

Skills Area	**Yes**	**No**
Business Planning & Organisation	61%	39%
Financial Management & Cost Control	69%	31%
Marketing	72%	28%
Customer Relations	48%	52%
Management of Employees	42%	58%
Information Technology	47%	53%

n = 62

In the case of business planning and organisation, financial management and cost control and marketing a majority of respondents are of the opinion that they need to improve their level of competence. This is highest in the case of marketing where 72% of respondents are of the opinion that they require further improvement in their understanding of this area of business. In the case of three other business skills areas – customer relations, human resource management and information technology – a slight

majority of respondents do not think they require any further improvement in these aspects of business management.

3.11 BUSINESS TRAINING PROGRAMMES

This section examines the engagement of ethnic entrepreneurs with training programmes designed to enhance the potential of small business start-ups in Ireland. Firstly, the participation by respondents on business training courses provided by a range of enterprise support bodies was ascertained. The participation rates of ethnic entrepreneurs on training programmes provided by six different organisations are recorded in Table 3.21. It is evident that across all organisations providing training to entrepreneurs there is a low participation rate from the ethnic minority community. County and City Enterprise Boards account for the highest proportion of ethnic entrepreneurs who have undergone some form of business training (26%). In the case of the other five training providers less than 20% of ethnic entrepreneurs have availed of their services.

Table 3.21: Participation in Business Training Programmes

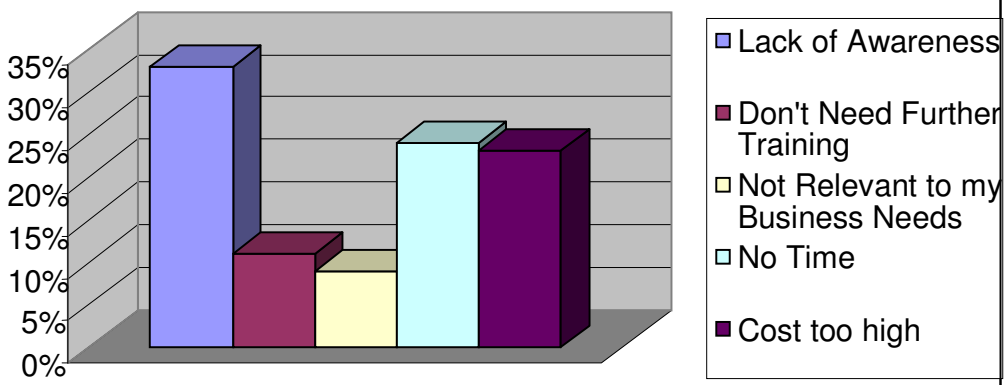
Training Provider	% of Respondents	
Yes	**No**	
County and City Enterprise Board	26%	74%
Partnership	19%	81%
FAS	16%	84%
Enterprise Ireland	18%	82%
Emerge	10%	90%
Institute of Minority Entrepreneurship - DIT	8%	92%

3.11.1 Reasons for Non-Participation in Business Training Programmes

Further to establishing the participation rates among ethnic entrepreneurs on business training programmes in Ireland, respondents were requested to explain why they had not undertaken a business training programme offered by any of the aforementioned six organisations. The reasons for non-participation on training programmes are set out in

Fig. 3.18. A lack of awareness of the existence and availability of training programmes on offer is the prime reason put forward in explaining non-engagement. One-third (33%) of respondents claim to be unaware of what is on offer in relation to training courses relevant to their business, thus militating against their participation on such courses. Time and cost pressures are the second and third reasons, cited by 24% and 23% of respondents respectively.

Fig. 3.18 Reasons for Not Participating on Business Training Programmes



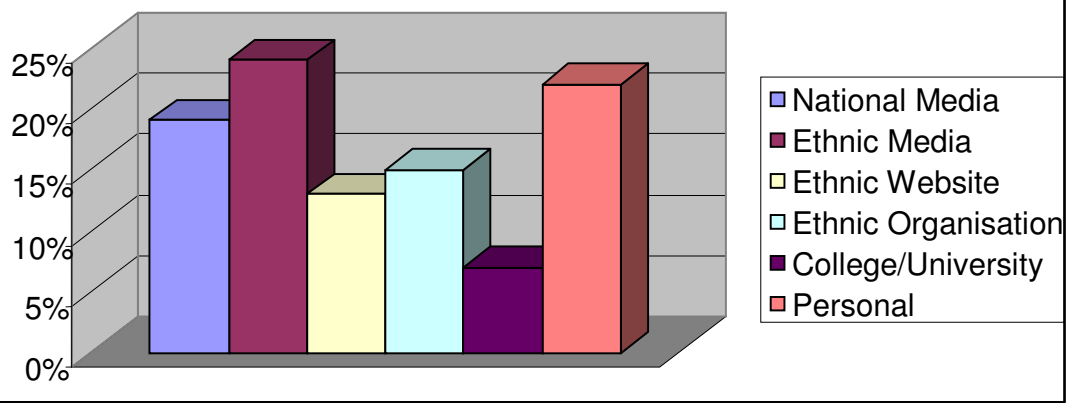
3.11.2 Awareness of the Availability of Ethnic Specific Training Programmes

In recent years bespoke training programmes for ethnic entrepreneurs have come on stream in Ireland. These bespoke training programmes are offered by mainstream enterprise agencies as well as by ethnic specific organisations. On this basis respondents were questioned as to their awareness of the availability of training programmes targeted at aspiring ethnic entrepreneurs. Approximately 37% of respondents were familiar with the existence of such ethnic specific business training programmes while the majority of respondents (63%) did not know of the existence of such programmes.

Those respondents aware of the existence of ethnic specific training programmes were then asked to identify where they had learned of them. The highest percentage of ethnic persons were informed of ethnic specific training programmes through ethnic media

outlets (24%), followed by personal contacts (22%). The full range of sources and their corresponding percentages are given in Fig. 3.19.

Fig. 3.19 Source of Awareness of Ethnic Training Programmes



Finally in respect of the engagement of ethnic entrepreneurs with business training programmes, respondents stated their disposition toward participating in a training programme tailored to their distinct needs relative to indigenous Irish entrepreneurs. Approximately 77% of respondents expressed an interest in partaking in such a bespoke training programme within the next two years.

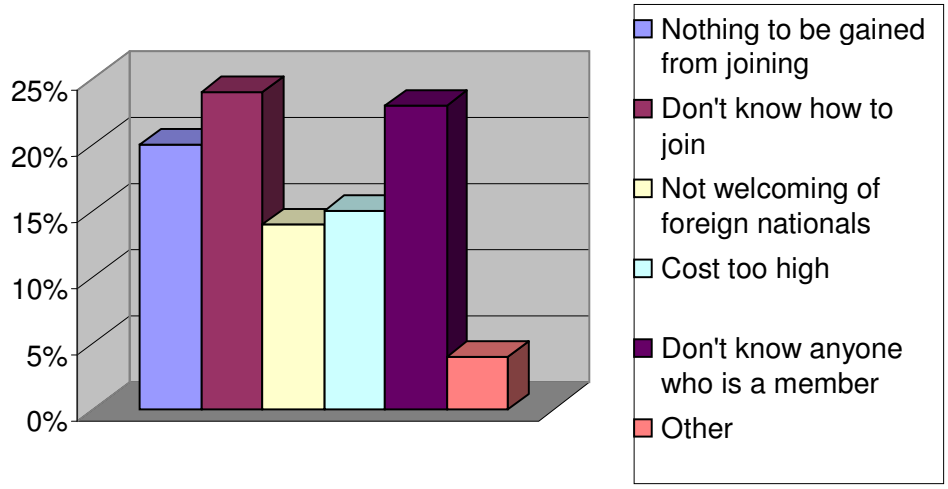
3.12 NETWORK CONNECTIONS

The interaction of ethnic entrepreneurs with both mainstream and ethnic specific networks is the focus of this section. Respondents were questioned firstly on their membership of any Irish professional business organisations. A small percentage of respondents hold membership of an Irish business organisation (11%), meaning that the vast majority of ethnic entrepreneurs (89%) have no official involvement in or contact with any Irish business representative organisation.

Following on from this, respondents selected the reasons they felt prevented them from joining a professional business organisation in Ireland. The results of this are detailed in Fig. 3.20. The related factors of ‘don’t know how to go about joining’ and ‘don’t know

anyone else who is a member' appear as the two principal reasons to explain non-membership. Almost 24% cited 'don't know how to go about joining' and 23% cited 'don't know anyone else who is a member'. Over 20% feel that there is nothing to be gained from joining, while a sense that professional business organisations are not accommodating of foreign nationals (14%) and prohibitive membership fees (15%) also feature as explanatory causes of non-membership.

Fig. 3.20: Reasons for Not Joining an Irish Business Organisation



3.12.1 Embeddedness in Ethnic Community

The ethnic community is shown throughout studies on ethnic entrepreneurs to be a vital source of both tangible and intangible business support. It is through embeddedness in the ethnic community that intending entrepreneurs can obtain the resources to initiate their business venture. The ethnic community can also sustain ethnic entrepreneurs through the provision of staff, suppliers and customers. An assessment was therefore made of the extent to which the respondents relied upon their respective ethnic communities to support various aspects of their business.

'Making useful business contacts' is cited by 59% of respondents as a resource that they rely on from their ethnic community, closely followed by 53% of respondents who

acknowledge that their ethnic community serves as a valuable source of customers and 49% who regard the ethnic community as useful in recruiting staff for their business. 'Getting business advice' is identified by 30% of respondents as an advantage conferred on them through their embeddedness in their ethnic community, while 11% state that through the ethnic community finance can be raised.

Table 3.22: Ethnic Community Resources

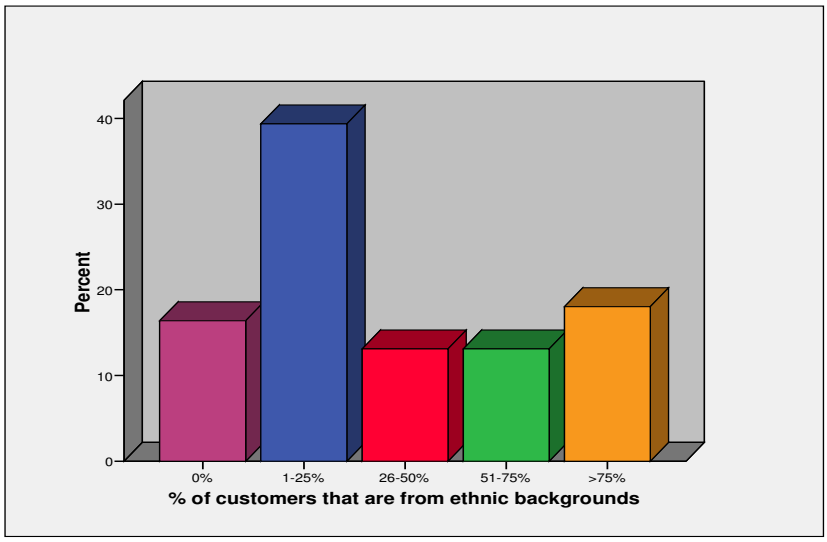
	Yes	**No**
Recruitment	49%	51%
Suppliers	39%	61%
Customers	53%	47%
Business Contacts	59%	41%
Obtaining Finance	11%	89%
Getting Business Advice	30%	70%

n = 58

Ethnic Customer Base

Further explication of the use of the ethnic community to ethnic entrepreneurs involved respondents estimating the percentage of their customers from the same ethnic background as them. As can be seen in Fig. 3.21, the vast majority of respondents include

Fig. 3.21 Ethnic Customer Base



n = 61

among their customer base at least some members of their own ethnic group. Almost 16% of respondents have no co-ethnic customers. A further 39% of respondents estimate that one quarter of their customers are co-ethnics and 13% of respondents estimate that co-ethnics account for between one quarter and one half of their customer base. This leaves approximately 31% of respondents whose customer base consists of at least half from their co-ethnic community.

3.13 BUSINESS PERFORMANCE

This final section provides an impression of the performance of ethnic businesses in Ireland. Respondents were asked to rate both their business growth and business profitability over the last two years. For business growth and business profitability the preponderance of respondents report average performance. A detailed breakdown of the statistics is given in the proceeding sections and in Fig. 3.22.

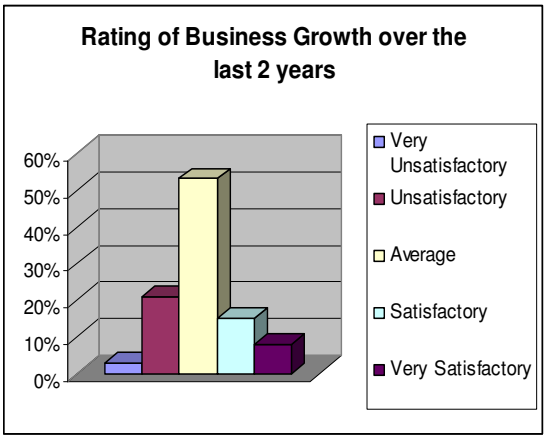
3.13.1 Business Growth

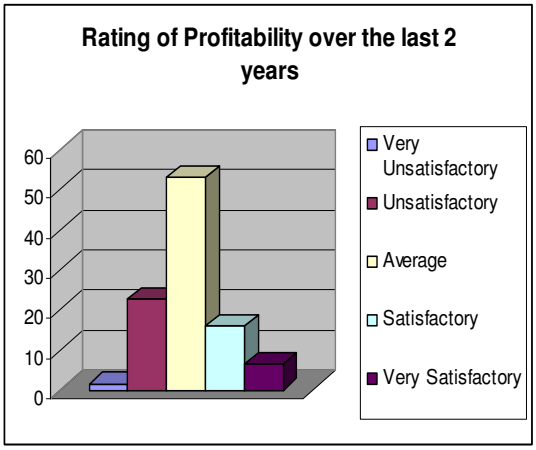
Approximately 53% of respondents report average business growth over the last two years. Additionally, 3% and 21% of respondents are very dissatisfied and dissatisfied with the growth of their business respectively. Conversely, 15% and 8% of respondents are satisfied or very satisfied with the growth of their business.

3.13.2 Business Profitability

Similar to business growth, 53% of respondents rate the profitability of their business over the last two years as average. 1% and 23% of respondents are very dissatisfied and dissatisfied with the profitability of their business respectively. It was found that 16% and 6% of respondents are satisfied or very satisfied with the profitability of their business.

Fig. 3.22: Business Growth and Profitability





3.13.3 Intention to Grow the Business

As a final dimension to gauging the (future) performance of ethnic businesses, respondents were questioned as to their business growth intentions. On the whole respondents are positively disposed to growing their business over the next two years. The areas in which ethnic entrepreneurs aim to achieve business growth are listed in Table 3.23. Increasing sales is the most frequently cited mode envisaged by respondents to grow their business (87%) followed jointly by increasing profitability (77%) and entering new markets (77%). 68% of respondents intend to increase their product range as a means of achieving growth. Just over half of respondents intend to increase staff numbers (52%) and 43% of respondents envisage a change of business premises as part of their business growth plan.

Table 3.23: Future Strategies for Business Growth

Growth Strategy	Respondent %
Increase Sales	87%
Increase Profitability	77%
Hire More Staff	52%
Increase Product Range	68%
Enter New Markets	77%
Move to New Premises/ Upgrade Existing Premises	43%

3.14 CHAPTER SUMMARY

From this nationwide survey of 1,108 foreign nationals comes the first comprehensive data on the extent and nature of ethnic entrepreneurial activity in Ireland. In line with most developed economies, ethnic entrepreneurial activity is fast becoming a feature of the economic and social landscape of Ireland. Researching ethnic entrepreneurial activity as it is taking form and shape in Ireland is therefore timely and prescient. What clearly emerges from the survey findings is the similarity in both the extent and nature of ethnic entrepreneurship in Ireland with that observed and documented in countries with a longer established pattern of inward migration. Key findings from the survey are summarised below.

Firstly, the extent of business ownership among foreign nationals ordinarily resident in Ireland at 12.6% is broadly comparable to ethnic business ownership rates in Britain, Canada and the Netherlands. Previous to the undertaking of this study anecdotal evidence was suggestive of a significant increase in the absolute number of ethnic businesses in Ireland. The determination that this survey makes on the rate of ethnic business ownership of 12.6% bears out the prevalence of recently arrived foreign nationals gravitating towards self-employment and business ownership as a means of earning a living.

As with the extent of ethnic business ownership, the character of ethnic business in Ireland is strikingly similar to the character of ethnic business in Britain, the Netherlands, the United States, Canada and Australia. Ethnic businesses in Ireland are definable by their small size, their young age, their concentration in the locally traded services sectors, their low staff numbers and their lack of intention to significantly grow their business over the medium term. A certain level of export activity is discernible, although taking as its predominant form the importation of specialised products from foreign markets.

Predominantly male, with a young age profile and high educational attainment encapsulates the personal profile of ethnic entrepreneurs surveyed over the course of this research. In almost 80% of cases, the previous status of ethnic entrepreneurs was as

employees, with most current ethnic business owners not having any prior business ownership experience. Also of interest is the finding that opportunities to apply one's skills and talents is perceived to be the overriding aim and advantage of setting out on the road to owning and managing a business.

Discrimination from a wide variety of actors within the Irish business environment did not transpire as a significant problem for those surveyed. However, overcoming unfamiliarity with the Irish business environment and gaining a greater level of trust with Irish suppliers, customers and assorted business actors were identified as among the primary challenges facing ethnic business people in Ireland. As with all small business owners, securing finance was also cited as a challenge confronting them. A high dependence on self-financing the initial start-up was reported, with almost half of all ethnic entrepreneurs financing or part financing the start-up of their business.

In respect of their business skills, almost three of every four surveyed ethnic entrepreneurs report previous managerial experience with almost half claiming to have obtained a qualification in business management. Up to this point there appears to be relatively low engagement by ethnic entrepreneurs with agencies offering enterprise training and assistance. Relatedly, only a fraction of those surveyed are members of an Irish business organisation. Finally, it can be inferred from the findings that a moderate level of embeddedness in their particular ethnic communities characterises ethnic entrepreneurs at this moment in time.

CHAPTER 4: DISCUSSION

4.1 DISCUSSION

In Chapter 3 results from a large scale nationwide survey of business activity among ethnic minority groups in Ireland are presented. The survey findings are subject to further examination in this chapter, particularly as they relate to existing study and research on ethnic entrepreneurs. In addition to surveying ethnic entrepreneurs, two focus groups of nascent and established entrepreneurs formed a second component of the overall research strategy. These focus groups aimed to gain further understanding of issues germane to ethnic business activity, allowing points of interest that emerged from the survey to be fleshed out in greater detail.

4.2 PERCEPTION OF THE IRISH BUSINESS ENVIRONMENT

The business environment in Ireland is perceived positively by ethnic entrepreneurs. It was remarked upon by all focus group participants, both aspiring entrepreneurs and established entrepreneurs, that the economic and social environment of Ireland is propitious to business activity and entrepreneurial endeavour (the focus groups were held in August 2008). A low corporate tax environment, minimal bureaucracy and regulation, a transparent legal and tax framework, credible public institutions and a strong consumer culture are all cited as factors underpinning the attractiveness of Ireland as an economy in which to start a business. Their positive impression of the Irish business environment contrasted sharply with the impediments they associate with enterprise creation in their countries of origin. It is to this backdrop of a perceived enterprise friendly environment that ethnic entrepreneurial activity has and continues to take root in Ireland.

4.3 ETHNIC BUSINESS CHARACTERISTICS

Taking the characteristics of surveyed ethnic businesses together, it is evident that ethnic entrepreneurial activity in Ireland is still at a nascent stage of development. Sole

ownership is the predominant legal form of ethnic businesses. In most cases, ethnic businesses have commenced trading only in the last two years and operate in service sectors oriented towards the Irish market. With regard to gauging their size, ethnic businesses employ few if any full-time or part-time staff. Revenues for ethnic businesses are also extremely low, with almost two-thirds claiming to have revenues of 50,000 euro or less over the last 12 months. While some ethnic businesses report extensive engagement with overseas markets, the trend is for ethnic businesses to be more locally orientated as opposed to internationally focused. This is evidenced firstly by their reported low levels of international customers. Secondly, the preponderance of ethnic entrepreneurs that do not import from, export to, or provide services in their country of origin. Furthermore, approximately half of ethnic entrepreneurs report no sales to their country of origin.

The characteristics of ethnic businesses uncovered in this research are consistent with international research. From a recent study in a British context [28], 56.8% of ethnic businesses had no employees and approximately 96% had nine or less employees. The percentage of ethnic businesses located in the service sectors was 90.4%. In terms of the form of legal ownership, 42.1% of ethnic businesses are classified as sole proprietors. Other countries experience of ethnic business activity (e.g. The Netherlands, Canada) is broadly similar to the above - small scale business entities concentrated in the locally traded services sectors [10]. Ethnic business activity in Ireland in 2008 is therefore comparable to that of other immigrant countries in respect of its underlying characteristics and industry scope.

4.4 ETHNIC BUSINESS OWNER CHARACTERISTICS

A common thread appears to run through ethnic owners of businesses in Ireland. Most ethnic entrepreneurs are male (78%), in the 25-44 age bracket (94%), and have attained a third level qualification (82.5%). In four out of five cases, ethnic entrepreneurs were employees previous to starting their business in Ireland. Only in 4% of cases have ethnic entrepreneurs always been the owner or part owner of a business in Ireland. 37.8% of

ethnic entrepreneurs owned a business in their country of origin, with most of these businesses categorised as locally traded services. From this it can be inferred that the majority of ethnic entrepreneurs with previous experience of business ownership in their country of origin initially assume employee status in Ireland before making the transition to business ownership. It emerged from the focus groups that accumulating funds for the start up of the business, gaining a foothold in Irish society, improving their proficiency in the English language and generally familiarising themselves with the economic and social workings of the Irish state explain why foreign nationals with experience of business ownership do not immediately enter into the process of enterprise creation in Ireland.

4.5 MOTIVATIONS FOR STARTING A BUSINESS IN IRELAND

Ethnic entrepreneurs are more likely to be 'pushed' into self-employment than 'pulled' into self-employment by an inability to find employment in the open labour market I a general finding in academic literature. However, 61% of surveyed ethnic entrepreneurs cite the identification of a business opportunity as the factor that impelled them to start up their business. This opportunity-driven ethnic entrepreneurial activity can be set against the positive assessment of the Irish business environment by ethnic entrepreneurs referred to previously. A desire to embark on a business venture in conjunction with an economic environment facilitative of enterprise creation encapsulates, for the most part, ethnic entrepreneurship in Ireland in 2008. The theoretical treatment of what propels ethnic persons to set up a business in a foreign country suggests likewise, stating that business creation comes from the interaction of the personal motivations of the entrepreneurs and the economic and institutional environment in which they find themselves [13].

The main advantage of business ownership for ethnic persons in Ireland is the opportunity it provides them to apply their skills and talents to the fullest extent possible. Approximately 32% of ethnic businesses surveyed chose this option compared to 21% who regarded business ownership as first and foremost a means of improving their financial standing and 20% who identified work autonomy as the main advantage of business ownership. The opinions of the focus group participants on the advantages of

business ownership are consonant with the survey findings. Moreover, international research is suggestive of ambition and self-progression superseding financial gain as the primary advantage of starting and managing a business among ethnic minorities [12]. In this ethnic entrepreneurs are similar to indigenous entrepreneurs.

4.6 CHALLENGES FACING ETHNIC ENTREPRENEURS

The challenges faced by ethnic entrepreneurs are of two kinds. The first are those natural challenges that face any entrepreneur in starting their own business and in seeking to build a sustainable enterprise. The second are those challenges that are distinctive and additional to ethnic entrepreneurs that are brought about because of racism and prejudice. It is the latter kind of challenge that can cause the greatest difficulties, resulting in issues of low self-esteem and negative business experiences. The biggest of the challenges highlighted by the focus groups are detailed below.

Discrimination

It was interesting to note that according to the survey results, discrimination is not a significant problem confronting ethnic minority businesses in Ireland. Across several categories of actors in the Irish business environment – financial institutions, suppliers, customers, competitors, landlords, state agencies - the majority of respondents did not report instances of discrimination. Addressing this issue to focus group participants, there was a general consensus that discrimination did not impact on their business operations to any appreciable degree nor did aspiring entrepreneurs envisage discrimination from Irish business actors as a problem likely to stifle their entrepreneurial aspirations. Instances of wariness from suppliers and customers in respect of the credentials and capability of ethnic business persons were mentioned, but such wariness was believed to subside as ethnic persons became more established and hence accepted in their line of business. This finding challenges much of the anecdotal evidence that is being portrayed by some commentators and the general tone of researchers in this area.

Challenges Starting a Business in Ireland

Two points of interests were gleaned from focus group participants as regards the challenges they faced in starting their business in Ireland. Firstly, in the case of established entrepreneurs, the process of legally registering and establishing their business in practice was deemed to be relatively straightforward. Participants were of the opinion that it is possible for an individual to navigate the process of legally registering a business in Ireland through the advice and direction of the Companies Registration Office (CRO), the Revenue Commissioners, and in some cases solicitors and financial advisers. Established entrepreneurs relied neither on ethnic support nor Irish enterprise agencies in establishing their business. Secondly, in contrast to the self-sufficiency of established entrepreneurs, focus group participants still in the process of starting their business are heavily reliant on the assistance and expertise of a professional ethnic business advisor. Through this arrangement aspiring entrepreneurs do not have to personally contend with the official procedures required to start a business. This also has the effect of expediting for them the process of starting a business.

Challenges Operating a Business in Ireland

The three main challenges that surveyed ethnic entrepreneurs believe affect them are access to finance, gaining the trust of Irish business actors, and unfamiliarity with the Irish business environment. This finding is similar to recent ethnic entrepreneurship research in a British where obtaining finance was ranked as the main obstacle to starting a business [28]. While difficulty in accessing finance impinges on the operations of all small businesses, ethnic owned or otherwise, the cited challenges of gaining Irish business actors' trust and unfamiliarity with the Irish business environment are ethnic specific. Interestingly, proficiency (or lack of) in the English language is not considered a major impediment for ethnic entrepreneurs. As referred to in the section on discrimination above, securing the trust of Irish suppliers and customers is an area of concern to ethnic business owners, at least in the initial stages of their business development. In relation to lack of familiarity with the Irish business environment, the

experience of focus groups participants leads to the conclusion that the greater the time lived in Ireland the less of a disadvantage foreignness becomes in starting a business.

4.7 ACCESS TO FINANCE

In the previous section access to finance is identified as a key challenge which ethnic entrepreneurs have to negotiate. The survey sought to tease out aspects relevant to understanding ethnic entrepreneurs' experience to date of financing their business. For the most part, ethnic entrepreneurs have not made wide ranging attempts to secure finance from external providers of finance. Banks and building societies are the primary external source from which ethnic entrepreneurs have attempted to secure finance (60%). Only a minority of ethnic entrepreneurs attempted to secure finance from any of the following external parties: credit unions, state agencies, family/friends and business acquaintances. For the minority of ethnic entrepreneurs who did approach an external funding source, the success rate is found to be high. The exception is in the case of state agencies wherein only a small number of respondents successfully obtained funds. The reasons given by ethnic entrepreneurs for accessing finance are varied. They include a desire to expand the product range of their business, enter into new markets, invest in new machinery and cover overheads. No indication was given by focus group participants of any felt sense of unfavourable treatment by Irish financial institutions on account of their foreignness. The general consensus was that past financial rectitude on the part of ethnic persons determined their eligibility for financial assistance with their business venture. Probably to be expected, established entrepreneurs had a greater knowledge of the various sources of credit available to business owners than aspiring entrepreneurs. Aspiring entrepreneurs did not show an awareness of external sources of finance beyond banks, building societies and personal contacts.

Start-Up Capital

In respect of financing the start-up of the business, a particular trend is discernible. Almost half of ethnic entrepreneurs used their own savings to finance or part finance the

start-up of their business. This reflects a high level of financial independence on the part of ethnic entrepreneurs at the outset of their business venture and a lack of dependency on external financial sources. Participants in the focus groups, particularly aspiring entrepreneurs, corroborated this interpretation of the survey results. For aspiring entrepreneurs, their present employee status is a means of generating the funds required to get their business idea off the ground.

4.8 BUSINESS SKILLS

Amongst the ethnic entrepreneurs surveyed, 44% do not hold a formal qualification in business management, while 73% claim managerial experience prior to establishing their own business in Ireland. In the areas of business planning and management, financial management/cost control and marketing surveyed ethnic entrepreneurs perceive themselves to be in need of further training. From the focus group participants, a relatively high degree of confidence was expressed in the adequacy of their business skill set. Similar to the survey findings some established entrepreneurs highlighted marketing and sales as areas they required improvement in if their business is to grow. Another point of interest from the focus groups concerns the application of ethnic entrepreneurs' skills in the Irish business environment. It was alluded to by some participants that the market-oriented nature of the Irish economy is conducive to ethnic entrepreneurs applying their skills and competences to a greater extent than in their countries of origin. In other words, ethnic persons get the opportunity to fully realise their entrepreneurial potential in Ireland free from bureaucratic constraints and capricious state governance.

4.9 BUSINESS TRAINING PROGRAMMES

On the whole, ethnic entrepreneurs report a low take-up of business training programmes across the major enterprise support service providers. The main reason cited for non-participation in business training programmes is a lack of awareness of their availability. When aspiring entrepreneurs were questioned in the focus group as to their impression of training programmes relevant to advancing their business idea, they professed a lack of

awareness of the possibility of partaking in such programmes. The fact that 77% of surveyed ethnic entrepreneurs indicate a future willingness to participate in bespoke training programmes for foreign nationals signifies that non-participation is primarily attributable to a lack of information on their availability and content rather than a negative perception of business training programmes per se. From the results of the survey as well as from the opinion of the focus group participants, ethnic media are the most appropriate means through which ethnic entrepreneurs can be made aware of bespoke business training programmes.

4.10 NETWORK CONNECTIONS

The overwhelming majority of ethnic entrepreneurs are not members of any of the Irish small business representative organisations (89%), highlighting a lack of connectivity of ethnic businesses to the mainstream Irish business environment. This disconnection from the mainstream business environment has its antecedents in uncertainty on the part of ethnic entrepreneurs as to how to engage with such business representative organisations, evidenced by the survey finding that the two principal factors for non-membership are 'don't know how to go about joining' and 'don't know anyone else who is a member'. Unsurprisingly, membership of an Irish small business representative organisation did not register as an immediate priority among aspiring entrepreneurs in the focus group. For established entrepreneurs, recognition of the potential advantages stemming from membership of an Irish business organisation existed among participants, with some signalling their intention to join industry specific business organisations in the near future.

Ethnic Business Networks

Contrary to expectations, surveyed ethnic entrepreneurs are recorded as having limited reliance on their ethnic community. Initiating business contacts, providing a customer base and sourcing staff emerge as the main benefits that ethnic entrepreneurs associate with embeddedness in their ethnic community. The possibility of obtaining finance from

within the ethnic community is ranked by only 11% of ethnic entrepreneurs as an advantage accruing to them from involvement in their ethnic community. Further investigation of the customer base of ethnic businesses reveals that in over half of cases ethnic persons account for 25% or less of the customer base. This demonstrates that ethnic businesses are by no means exclusively oriented to co-ethnic customers.

The apparent lack of strong ethnic business networks - judged by the minority of entrepreneurs who regard initiating contact with suppliers, obtaining finance, and getting business advice as resources that ethnic community membership endows them with – is, inter alia, reflective of the nascent state of ethnic business activity in Ireland. It is also noteworthy that scholarly research is of the opinion that the extent to which ethnic entrepreneurs depend on the tangible and intangible resources of their distinct ethnic community varies considerably from one culture to another [13, 16]. Anecdotal evidence offered by focus group participants intimates that the prevailing culture and societal disposition of the EU 10 states and other Rest of Europe states does not lend itself to co-operative behaviour among Eastern European entrepreneurs specifically or Eastern Europeans generally in foreign environments.

4.11 BUSINESS PERFORMANCE

Over 50% of surveyed ethnic businesses adjudge both their business growth and their profitability to be average. This average performance rating can be considered against the low sales turnover reported for ethnic businesses, with two thirds of respondents claiming to have annual sales revenues of less than 50,000 euro. The low level of sales revenue generation may be explained by the fact that most ethnic business are still at a formative stage of development. Given their low levels of sales revenue, it is understandable that ethnic entrepreneurs are strongly disposed to achieving business growth in the short-medium term. Strategies in the form of increasing sales, raising profitability and entering new markets are most frequently cited as a means of effecting business growth and thereafter improved performance.

4.12 HIGH POTENTIAL START-UPS (HPSUs)

Fostering high potential indigenous business start-ups is recognised as a strategic priority for the future growth and competitiveness of the Irish economy. This is referred to in Section 2.2.1. Against this backdrop an assessment is made on the likelihood of ethnic owned businesses evolving into high growth business entities. Several criteria are used in making this assessment. Firstly, high potential start-ups should have in employment ten full-time staff three years from their inception; secondly, high potential start-ups are expected to have a strong international market focus to their operations; thirdly, high potential start-ups should preferably operate in high value added economic sectors. By profiling the industry sectors in which ethnic businesses compete and the economic activity in which they are engaged, the probability of high potential venture initiation among ethnic persons in Ireland can be ascertained to a reasonable degree.

4.12.1 Projected Employment Profile

At present, ethnic businesses have a very low employment level, with 94% having five full-time staff or less. While ethnic businesses anticipate employing a greater number of employees five years from now relative to their present situation, only a marginal percentage (6%) envisage that their full-time staff complement will exceed eleven. Using the criterion of having ten or more full-time employees in five years time, the vast majority of ethnic businesses do not satisfy this first high growth characteristic.

4.12.2 International Business Activity

Approximately 25% of ethnic businesses report some business involvement with markets other than Ireland. For three-quarters of ethnic entrepreneurs therefore, there is no international dimension to their business. One element in examining the international dimension to the business activity of ethnic entrepreneurs is imports from, exports to, and the provision of services in their country of origin. The majority of ethnic businesses are not found to engage in any of these business activities with their country of origin. In

addition, exactly half of ethnic businesses do not sell at all to their country of origin. Projecting into the future, an increased number of ethnic entrepreneurs envisage adding an international dimension to their business. This is evidenced by the survey finding that 51% of ethnic entrepreneurs intend to compete outside the Irish market three years from now. Competing internationally is a critical element of HPSUs. It would appear that most ethnic business do not have any significant international market focus as part of their operation. This is explainable further by reference to the sectors in which ethnic enterprises are concentrated, discussed in the next section.

4.12.3 Industry Profile

The profile of ethnic business in Ireland is definable, in the main, by its concentration in the locally traded services sectors. Manufacturing activity is not strongly represented while the sectors most synonymous with ethnic business activity – restaurant and retail – account for 15% and 16% of businesses respectively. Interestingly, the information, communication, technology (ICT) sector comprises the largest number of ethnic businesses captured over the course of this research (17.5%). Depending on the type of activity they perform, firms within the ICT sector are potential high growth, high value-added business entities. A refined analysis of ethnic firms categorised in the ICT sector is suggestive of them not engaged in high value added activity. Almost 93% of ethnic ICT firms employ 5 staff or less, 71% have annual sales revenue of 50,000 or less, and half have less than 10% of their customers in international markets. As such, the ICT ethnic firms cannot be described as competing in the high value added internationally traded ICT service sectors.

4.12.4 Probability of Ethnic HPSUs

Taking the three indicators for high potential business start-ups together, the probability of their emergence from the population of ethnic minority businesses in Ireland is, at this point in time, low. In respect of employment growth expectations, extent and nature of international business activity, and economic value added activity performed, ethnic

firms do not, in most cases, exhibit the characteristics of high growth potential start-ups. Whether ethnic business will develop beyond its concentration in low value added local service sectors into high value added manufacturing or service provision consisting of an international dimension is an open question.

4.13 OTHER RESEARCH OBSERVATIONS

Over the course of the research two areas of interest emerged that had not been previously considered within the research agenda. While these do not represent specific findings given their exploratory nature, they may nonetheless come to influence how ethnic entrepreneurship is understood and policy towards its development subsequently implemented.

4.13.1 Ethnic Fixers

Foregoing scholarly research on ethnic business activity in immigrant countries has drawn attention to the critical role of ethnic community resources, both tangible and intangible in form, in creating and sustaining ethnic owned businesses. Results from the survey illustrate that ethnic networks have yet to assume an indispensable role in the business activity of ethnic persons in Ireland. What did transpire in the course of focus group discussions is the previously undocumented role of what can be labelled 'ethnic fixers' or 'ethnic middlemen'. It was found that aspiring ethnic entrepreneurs sought help from and were dependent on business advice and consulting services operated by their co-ethnics, particularly in the formative stage of their business venture. Essentially, 'ethnic fixers' operate at the interface of the mainstream Irish business environment and the ethnic communities of which they are a part. Such 'ethnic fixers', believed to be present in all the main ethnic community groups in Ireland, could act as conduits between the ethnic business community at large and the enterprise support apparatus of the Irish state.

4.13.2 Ethnic Entrepreneurship and Market-Led Outcomes

For private enterprise there is a business case for facilitating ethnic minorities in enterprise start-ups. In Britain, packages are on offer from financial institutions to assist newly arrived Eastern Europeans in the process of establishing their own business. Included in these packages is advice on the legal and regulative aspects of business ownership and computer software for financial management. While this is no substitute for business training and induction programmes provided by dedicated ethnic-oriented enterprise organisations, it nonetheless assumes a useful, complementary role in the promotion of ethnic entrepreneurship. What is more, any market-led development that eases the onus and the financial cost on state agencies to assist ethnic entrepreneurs is to be welcomed.

4.14 CHAPTER SUMMARY

In this chapter issues germane to ethnic business activity in Ireland were subject to further explication. This was achieved by analysing the survey findings in conjunction with input from several groups of ethnic entrepreneurs who participated in focus groups over the course of the research. This approach had the effect of fleshing out what is otherwise raw data on ethnic entrepreneurial activity in Ireland. The overriding theme to emerge from the focus groups is the very positive perception that both aspiring and established entrepreneurs have of Ireland as a place in which to do business. Pre-existing intentions on the part of ethnic entrepreneurs to establish their own business were very much bolstered by a perceived economic and social environment conducive to enterprise creation. Indeed, many participants commented on the ease with which they were able to officially establish their business in Ireland in spite of not being familiar with the Irish business environment.

Further analysis was also carried out on the future growth potential of ethnic owned businesses in Ireland, with particular reference made to the likelihood of high potential start-ups (HPSU) originating in ethnic business milieus. Using the dimensions of

projected employment growth, international business activity and industry profile the conclusion is reached that in the short-medium term there is a quite a low probability of ethnic HPSUs. Whether this is a function of the inchoate state of ethnic business activity in Ireland or attributable to more underlying causes remains to be seen.

CHAPTER 5: CONCLUSION

5.1 POLICY IMPLICATIONS

The identification of ethnic entrepreneurial activity as a potential stimulant to the competitiveness of the Irish economy has brought to the fore questions on the precise role that the state and its relevant agencies can and should perform in this process. State intervention for the promotion of business activity among the new foreign national communities in Ireland requires a careful balancing of the need to offer targeted assistance for business creation and business expansion without engineering what are perceived to be desirable social outcomes. Ultimately, the role of the state and its agencies in promoting and actively supporting entrepreneurial endeavour from within the foreign national communities in Ireland should be directed by an economic rationale and be justified in terms of positive economic outcomes. Moreover, the state needs to be cognisant of not assuming a role in the promotion of entrepreneurship that is best left to the open market. To do so would not represent efficient use of state resources nor would it be in the interests of national economic competitiveness. It is within this context that the policy implications stemming from this research and its findings are framed.

5.1.1 Targeted Intervention Followed by Mainstreaming of Enterprise Support Services

As is evident through the results of this research, ethnic businesses in Ireland predominantly operate at the margins of the mainstream economy and appear to experience challenges in a more acute form than Irish business start-ups (e.g. accessing and securing finance). In addition to this, business challenges peculiar to non-Irish persons – lack of familiarity with the Irish business environment, gaining the trust of Irish suppliers and customers – compound the disadvantaged status of ethnic entrepreneurs. However, the distinct challenges that ethnic entrepreneurs are confronted with in a foreign environment reduce with time. Lack of familiarity with the Irish business environment will diminish as the business develops to a point where the ethnic entrepreneur is fully familiar with the machinations of the domestic business

environment. Trust, or the perceived lack of it, on the part of Irish suppliers and customers towards ethnic entrepreneurs arguably becomes less of an issue with time.

What the above discussion points to is the role that state agencies can play in supporting ethnic entrepreneurial activity is most crucial at the early or even pre-take off stage of an ethnic business. This is where targeted state intervention is most needed by aspiring ethnic entrepreneurs and will be of most benefit to them. Hence, this is where public policy would be most appropriately channelled in aiming to harness the potential of ethnic entrepreneurs for the Irish economy. In order to correct for the disadvantages inherent in being an ethnic entrepreneur, targeted intervention designed to equip candidates with the business acumen, skills and knowledge required of them in the Irish business environment is both necessary and justified.

If targeted intervention is the policy focus at the formative stages of ethnic business development, then the mainstreaming of services for ethnic businesses should be the policy focus post start-up phase. In policy terms therefore, ethnic businesses should have available to them targeted assistance initially, after which they come under the radar of regional and national state agencies in the same way as indigenous business start-ups. This policy for the support of ethnic entrepreneurs can be succinctly described as targeted intervention first, followed by their incorporation into the mainstream thereafter. To support this activity, it would be highly beneficial if City and County Enterprise Boards (CEBs) received ring-fenced funding for this explicit purpose.

5.1.2 Provision of Targeted Enterprise Support for Ethnic Entrepreneurs

The foregoing policy direction on targeted intervention followed by the mainstreaming of support services for ethnic entrepreneurs has implications for the way in which enterprise support services are to be delivered and made available. Targeted intervention for aspiring ethnic entrepreneurs should come under the auspices of one dedicated organisation. *The Emerge Development Partnership,* initially funded by the EU EQUAL programme, originally provided training, mentoring and networking opportunities to

aspiring ethnic entrepreneurs in Dublin, Cork and Galway. However, with that funding now completed, the Partnership continues to administer its work at a reduced level and on a shoestring budget. With a large opportunity for further expansion to other locations across the state, *Emerge* could serve as the national platform for targeted enterprise support for ethnic entrepreneurs in Ireland. Working in conjunction with all local area partnerships and CEBs, *Emerge* could coordinate and oversee enterprise training for aspiring ethnic entrepreneurs on a nationwide basis. However, for this to occur, dedicated funding would need to be provided for administration purposes.

Transforming *Emerge* into an umbrella organisation for ethnic enterprise support in Ireland would also bring about greater policy coherence in the domain of ethnic enterprise. A nationwide, structured approach to the provision of ethnic enterprise support would result in more efficient resource use by 'joining-up' the services on stream currently. Furthermore, under the co-ordination of a central organisation a standardised, quality-assured enterprise training service for ethnic minorities in Ireland could be made available.

5.1.3 Role for National Enterprise Support Agencies

The incorporation of ethnic businesses into mainstream enterprise support provision post targeted intervention implies that no change is required of national enterprise support agencies in their current professional engagement with ethnic owned businesses. In the same way that Irish entrepreneurs decide or not to initiate contact with agencies such as Enterprise Ireland depending on the nature and future growth potential of their business operation, so established ethnic entrepreneurs must engage of their own volition with these same state agencies. This approach of self-selection for enterprise support will ensure that an appropriate match is made between the scale and scope of ethnic business operations and the type of enterprise support that national enterprise support agencies are charged with providing. The only action that should be taken by such agencies is that they advertise their existence and services to ethnic entrepreneurs through the use of ethnic media outlets rather than through mainstream media channels. Building awareness

of their existence would help ethnic entrepreneurs to understand what is available to them should they wish to grow the business.

5.2 RECOMMENDATIONS

The recommendations that follow, based upon the research, have as a common theme heightening ethnic entrepreneurs' awareness of the assistance available to them specifically and to small business owners generally in Ireland. As the survey results and focus group findings revealed, a lack of awareness is the primary common denominator in explaining why ethnic entrepreneurs have not accessed bespoke business training programmes or attempted to join business representative bodies. Having systems in place that serve to more readily inform ethnic persons of what is available to them in terms of training provision, business representative bodies and even sources of finance is the first step in better connecting ethnic entrepreneurs to the Irish business environment, which in turn may go some way towards helping them develop their business potential to the fullest extent possible. The imperative of raising ethnic entrepreneurs' awareness of schemes and support structures of relevance to their business needs is identified at EU enterprise policy level as best practice that all European countries need to cognisant of, as outlined in Section 2.4.1.

5.2.2 Recommendation 1: Raising Awareness of *Emerge*

Apparent in both the results of the survey and the focus group discussions is the lack of awareness among both aspiring and established ethnic entrepreneurs of *Emerge*. Only 37% of surveyed ethnic businesses knew of the availability of bespoke training programmes for foreign nationals. As a matter of urgency, ethnic entrepreneurs in particular and the foreign national community in general needs to be informed of the service that *Emerge* provides and the advantages that can accrue to them from participation in its range of training and business supports on offer. Skills deficiencies cited by surveyed ethnic entrepreneurs (e.g. business organisation and planning, financial decision making, marketing) can begin to be addressed through *Emerge* training

programmes. The lack of business network connections identified by this research can also be remedied through ethnic entrepreneurs' participation in *Emerge's* networking events. It is therefore recommended that a concerted attempt is made on the part of *Emerge* and affiliated bodies and organisations to ensure that *Emerge* becomes the central point of contact for aspiring ethnic entrepreneurs. Ethnic media outlets are recommended as the starting point in raising the profile of *Emerge*. This recommendation needs to be supported by funding to *Emerge* to enable them to administer their programmes through the relevant enterpise support agencies.

5.2.1 Recommendation 2: Central Web Portal for Ethnic Entrepreneurs

The Business Access to State Information and Services (B.A.S.I.S) website was initiated in 2000 to offer a 'one-stop shop' for small business owners requiring information on regulations and laws pertaining to business ownership in Ireland. It is recommended that a similar initiative is undertaken in respect of a 'one-stop shop' for business owners new to Ireland. Modelled on B.A.S.I.S, this recommended web portal for ethnic entrepreneurs would be designed to introduce them to the rudiments of the Irish business environment and the institutions and agencies charged with enterprise promotion. Integrating such a web portal for ethnic entrepreneurs with the existing web domain of *Emerge* may prove fruitful and help to avoid an overlap of information provision. Scope exists for private funding of this web portal for ethnic entrepreneurs through online advertising.

5.2.3 Recommendation 3: Irish Business Representative Organisations

Disconnection from the mainstream Irish business environment among ethnic entrepreneurs is evidenced by the fact that only 11% are members of an Irish business representative organisation. While the Small Firms Association (SFA) in conjunction with Emerge offers ethnic entrepreneurs an opportunity to sample their networking events, it appears that there is little in the way of interaction between the ethnic business community and the mainstream Irish business representative organisation. Surveyed ethnic entrepreneurs and focus group participants attributed uncertainty on how to join

and a lack of confidence as the reasons for non-membership. Following on from this finding it is recommended that further linkages be established between Irish business representative organisations and the ethnic business communities and their representatives. Fostering such linkages holds out benefits for both parties and should be promoted on that basis.

5.3 CONCLUSION

The research findings presented in this report represent the first attempt to map in a systematic fashion ethnic entrepreneurial activity in Ireland. The rapid transformation of the demographic profile of Ireland in this decade through unprecedented levels of immigration has stimulated debate on the economic and social policy implications of the new multi-racial Ireland. One facet to this policy debate is the potential for foreign nationals to bolster indigenous business activity. It was the aim of this research to capture the essential nature of ethnic entrepreneurship in Ireland in 2008 with a view to better informing policy formulation as it concerns ethnic business activity.

Two research objectives dictated the scope of this study. The first objective was to determine the rate of business ownership among the main foreign national ethnic groups in Ireland. From a nationwide survey of 1,108 foreign nationals resident in Ireland it was found that 12.6% claim ownership or part ownership of a business. This is consistent with the rate of ethnic business ownership of other immigrant countries. The second research objective involved mapping ethnic entrepreneurial activity in Ireland in 2008. This was undertaken by reference to the characteristics of ethnic businesses and their owners, the challenges facing ethnic businesses in Ireland, and their interaction with the Irish business environment. A profile of ethnic businesses that are small in scale, young in age, concentrated in the locally traded services sectors and operating at the margins of the mainstream economic environment emerges from this mapping of ethnic entrepreneurship in Ireland. Ethnic entrepreneurship in Ireland in 2008 in its scale and industry focus is comparable to international experience of ethnic entrepreneurship.

Following from the survey results and focus group input, policy implications in the domain of enterprise support for ethnic business are presented. Mainly, the report contends that a policy of targeted intervention for fledgling ethnic enterprises followed by the mainstreaming of enterprise support for established ethnic enterprises will be most effective in an Irish context. The underlying rationale of this position is to offer tailored business assistance to ethnic enterprise to a point that corrects for the disadvantages of ethnic minority status without compromising on the fundamental economic principle that the market should act as the ultimate arbiter of which businesses succeed and which businesses fail. Three recommendations are made that will appreciably impact on the promotion of ethnic businesses in Ireland if pursued. These recommendations involve raising awareness among the ethnic communities of the availability to them of bespoke business training programmes, developing a 'one-stop-shop' website aimed at aspiring ethnic entrepreneurs in Ireland, and fostering enhanced linkages between Irish business representative bodies and the ethnic business communities. These recommendations are relatively easy to implement and yet could offer significant support to a large number of potential entrepreneurs.

A consistent finding in academic literature on ethnic businesses is their low propensity to use mainstream business support agencies, often relying instead on self-help and informal sources of assistance. Barriers to the take-up of support include: identifying and reaching marginalized groups, the inappropriateness of product-orientated approaches, doubts over the relevance of what is offered, and a lack of trust and confidence in those delivering support. The extent to which the support needs of ethnic businesses are distinctive in comparison with those of 'normal' firms is also a key question. Although many of the support needs of ethnic businesses are shared with their majority counterparts, there are also specific issues that include language, religious, age, and gender aspects, and these have implications for the way business support is delivered if it is to be effective. An important part of this context is the relationship with external agencies crucial to small firm development. In attempting to assist with these and other problems, mainstream business support agencies can appear to be major obstacles themselves, a situation that

seems endemic to the growing ‘enterprise industry’. This report addresses these issues and offers solutions to the challenges of engendering ethnic entrepreneurship.

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