

WORLDWIDE START-UP VISA POLICIES COMPARED

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London, 18 May 2015

Disclaimer:

This report was produced by Migreat for the purpose of building knowledge regarding the development of visa and support schemes to attract entrepreneurs and skilled innovators. It is strictly confidential and embargoed until May 27th 2015 when it will be publicly available on www.migreat.com

Open Borders to Entrepreneurs & Innovators

How global entrepreneurs & start-ups are driving innovative immigration experiments worldwide.

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References

Migreat was founded with the goal of facilitating migration by providing migrants with accurate, clear and understandable information around every aspect of immigration. Our latest report, Open Borders to Entrepreneurs, seeks to compare the policies of countries that have created visas with the specific goal of attracting entrepreneurs to start new businesses.

By their very nature, immigrants are people who are not risk adverse – they are making a choice to uproot themselves, and frequently their families, in order to seek better economic and political situations in a new country. Immigrants start new businesses at a higher rate than native born populations in every country they enter. Governments that are lucky enough to count their

countries as destinations for the world's immigrants should do everything in their power to facilitate entrepreneurship by reducing red tape and capital barriers.

As the world moves further into the twenty first century, countries that would like to remain competitive in our ever more integrated global economy must facilitate immigration in order to expand their own economies. While dedicated start-up and entrepreneur visa programs are a good start, at Migreat we believe that the most successful countries of this century will be the ones that reduce the barriers to economic immigration while at the same time streamlining the process of creating businesses.

Daniel Lizio-Katzen
CEO, Migreat

Executive Summary

1. Migrants are more entrepreneurial than natives and play an important role in entrepreneurial clusters.
2. 12 countries worldwide have created specific visa policies to attract a growing pool of mobile and global entrepreneurs.
3. While each country has specific visa requirements and nuances, all visa policies can be classified within three overarching categories: a new category, new process or a new program to attract entrepreneurs.
4. Flexible and open immigration policies play an important foundational and support role in growing local pools of entrepreneurial talent, attracting innovative companies and creating entrepreneurial clusters. However, immigration policies to attract and retain entrepreneurs remain limited in their reach and impact.
5. There are several important considerations that each country should consider when creating a start-up visa policy: human and economic capital requirements, intended audience and whether the policy requirements truly appeal to the desired entrepreneurs.

Introduction

The Importance of Immigrant Entrepreneurs

The positive impact of immigrant entrepreneurs is well established. The topic has been widely researched and reported on for decades, and the evidence is conclusive that when taken as a whole, immigrant entrepreneurs are strong contributors to local economies around the world.

In the 1980s Vivek Wadha's research demonstrated how migrants had a significant impact around fostering innovation, creating jobs and contributing to the overall economy in Silicon Valley. Additional research from the New Partnership for America and Centre for Entrepreneurs in London found that immigrants are significantly more entrepreneurial than native-born citizens, and immigrants play an important role in determining the number of companies created every year. As of 2011, first or second generation immigrants had founded 40% of the Fortune 500 companies.¹ Today, one out of seven business owners in the UK is a migrant².

Despite the clear benefits around welcoming immigrant entrepreneurs, countries are only just recently beginning to introduce entrepreneur-specific visa programs.

Definition of Start-up Visa

In principle, a start-up visa allows non-citizens to migrate to a new country with the specific intent to start a business in the destination country, and in exchange grants these non-citizens the right to reside in the country for a defined period of time.

To receive a start-up visa, applicants must follow specific rules and meet requirements that vary significantly by destination country.

There are three broad types of start-up visas available today:

- **Entrepreneur visa:** a visa category with specific rules, requirements and rights that are different than a general work visa
- **Fast-tracked general work visa:** A general work visa that is obtained through a fast-track application process specifically for entrepreneurs
- **Incubation programs:** Temporary right-to-enter and work in a country given the individual is selected and actively taking part in an approved incubation program

For example, the United Kingdom offers a Tier 1 Entrepreneur Visa within the general Tier 1 Work Visa category. The Entrepreneurial Visa outlines the process by which founders and owners of businesses may reside and remain in the UK, and recipients of this visa enjoy different rights and benefits as compared to other general Tier 1 work visa recipients.

In contrast, Italy offers entrepreneurs a fast-tracked process to qualify and receive a resident work permit that is virtually identical to the work permit any other migrant worker would receive. The only difference is that if you are an entrepreneur (as qualified by Italy's definition and guidelines), your application is

¹ [http://www.renewoureconomy.org/sites/all/themes/pnae/img/new-american-fortune-500-june-2011 .pdf](http://www.renewoureconomy.org/sites/all/themes/pnae/img/new-american-fortune-500-june-2011.pdf)

² <http://www.creatingourjobs.org/data/MigrantEntrepreneursWEB.pdf>

processed faster and you are redirected to local contacts that can help you get started and gain access to government support schemes and funding.

The Start-Up Chile program, an accelerator program that selects 300 entrepreneurs worldwide each year to incubate in Chile, exemplifies the third type of start-up visa. When foreign entrepreneurs are selected for this program, they receive a recommendation letter to apply for a one-year work visa (which includes the right to apply for visas for domestic partners and dependents), as well as approximately \$33,000 USD investment from the Chilean government to help fund the six-month incubation period in Chile. The program does not automatically renew visas for entrepreneurs. It is asked that entrepreneurs remain for the full six-months incubation period. Additionally, the funding is given in two tranches to ensure entrepreneurs are working and residing in the country during the program.

Startup Visa Policy	CATEGORY	PROCESS	PROGRAM
Definition	Entrepreneur Visa	Fast-track visa	Startup Programme
Description	Dedicated entrepreneur visa with specific rights geared toward identifying and accepting genuine entrepreneurs into a new country	Fast-tracked centralised application process that checks for innovation to qualify for a general work visa	Specific program whereby entrepreneurs have to apply and be endorsed to be issued a letter supporting their work visa application
Examples of Countries	Australia, UK, New Zealand, Singapore	Italy, Spain, Ireland, Netherlands	Chile, Canada

Historical Context

In the past, entrepreneurs were able to migrate to new countries and start companies without the need for specific entrepreneur visa policies to exist.

In the 1960's, Western European economies had actually did not have a selective immigration system due to a need for workers to fill low-skilled positions. The influx of migrant workers from ex-colonies and developing countries was a boon to Western European economies. This meant that immigration policies were open to foreigners and flexible around the rights granted migrants to stay, work and start businesses.

However, after the oil crisis of the 1970's and the slowdown of European economies, immigration systems started to become more restrictive – especially in countries where mass immigration had led to a ghettoization of migrants in suburbs like in Paris, France. The creation of the Schengen immigration area and the attacks of September 11th, 2001 pushed governments to change their immigration systems to increase the scrutiny of migrants and drove a bureaucratization of the application process that has led to increased fees and longer processing times.

The financial crisis of 2008 accelerated the trend in the West to change immigration systems to be similar to Australia's Point Based System. These systems grant migrants points related to their "character" and are also strongly based on employment where only migrants with jobs can get in the country. Since youth unemployment is high, these immigration policies are typically structured so that immigrants without employment offers are blocked from entering Western Europe.

As a result of the employment-based work visa systems in Western Europe, it is increasingly difficult for entrepreneurs to qualify for and receive work visas to start and grow new businesses in Europe. While this was not the intention of these visa policies, it is a by-product of the selectivity and rigidity of the system.

A fundamental problem is the difficulty for countries of maintaining selectivity in their work visa processes while allowing exceptions for promising entrepreneurs. It is difficult for countries to objectively define what constitutes an “entrepreneur.” As Madeleine Sumption, Director of the Migration Observatory, describes it, many immigration systems are based on a sponsorship logic: employers sponsor their employees and universities sponsor their students. Giving visas directly to individuals based on their ideas and potential alone is riskier, since it is difficult for governments to assess the quality of the application. After all, even venture capitalists find it hard to identify future successful entrepreneurs. The challenge for an entrepreneur visa category is thus to define and identify the “right” individuals.

Recent surge of start-up visa policies

Countries have recognised the problem of their overly selective general work visa systems, hence the current innovation in the field of immigration policies related specifically to entrepreneurs.

There are currently thirteen countries with dedicated global entrepreneur-focused visa policies, of which ten were created over the past five years. This recent increase in entrepreneur visa policies is indicative of countries proactively courting foreign entrepreneurs who they believe will both contribute to local economic growth as well as to strengthening their local cultures of innovation.



The Expected Benefits of the creation of start-up visas

There are numerous potential benefits for countries that encourage foreign entrepreneurs to settle via dedicated start-up programs and visas, but government officials describe several benefits that are particularly appealing.

Foreign entrepreneurs **increase the number of new businesses and jobs** in their adopted countries, thus contributing to overall economic growth. Tahmina Watson, immigration attorney and author of *The Startup Visa: Key to Job Growth & Economic Prosperity in America*, explains that even if some

businesses fail, there is still a direct benefit to the country: “For as long as a company is active, it may create employment, bring tax benefits to the State, and enable the sharing of knowledge.”

Dedicated entrepreneur visa policies **allow countries to more accurately monitor and analyse flows of foreign entrepreneurs**. This in turn allows countries to make informed adjustments to their policies to optimize the economic impact of immigrant entrepreneurs. Furthermore, this process can allow countries to support certain high-growth, early-stage businesses.

A start-up visa policy allows countries to **send a strong, positive signal to global entrepreneurs** and wealthy migrants looking for opportunities abroad. It positions the country as welcoming to entrepreneurs, new businesses and innovation. Chile has successfully put itself on the map for global entrepreneurs and investors through their Start-Up Chile program. In 2015, five years after the implementation of this program, Start-Up Chile start-ups claim to have raised \$100 millions of private capital and brought more than 2,000 entrepreneurs to the country.

Start-up visas allow entrepreneurs to **more quickly legalize their businesses and begin contributing to the local economy**. A start-up visa policy removes a lot of risk and uncertainty in starting a company in the host country. "A country that lacks a start-up visa policy is one that is unacceptably risky for immigrant entrepreneurs; some rare few can succeed despite the unpredictable marathon of dealing with an immigration system does not understand entrepreneurship and often results in rejections for seemingly arbitrary reasons." says Craig Montuori, co-founder at Venture Politics and Silicon Valley expert on immigration for entrepreneurs in the US. A start-up visa creates a legal process to which entrepreneurs can point at, prepare and trust. “The best Start-up Visa policy is simply one that exists, in contrast to the status quo.” – Montuori concludes.

Finally, making it easy for immigrants already in the country (i.e. international students) to stay and start a company encourages both the integration and productive contribution of migrants to the national economy.

Comparison of Start-up Visas

The first visa and immigration schemes aimed at entrepreneurs were ratified in the early 1990s in Australia and the early 2000s in Singapore and New Zealand. Over the last five years, nine other countries have officially created start-up visa policies. Several other countries have announced their intention to provide start-up visa processes at some point in the near future (France, Israel and the USA).

In the following chapter, we examine each of the three types of visa policies by comparing their common features and then providing country-specific examples from ten countries out of the twelve official with start-up visa policies for which there is adequate public information.² The details of the each national start-up visa policies can be found in the Appendix.

² There is not enough available information on the South Korean start-up visa, the Start-up Denmark scheme or the Dutch Start-up Visa permit and policy to provide meaningful commentary in this report.

Entrepreneur Visa (Category)

Entrepreneur visas are temporary visas that can eventually lead to residency if the entrepreneur proves to be successful at achieving certain milestones in defined amount of time.



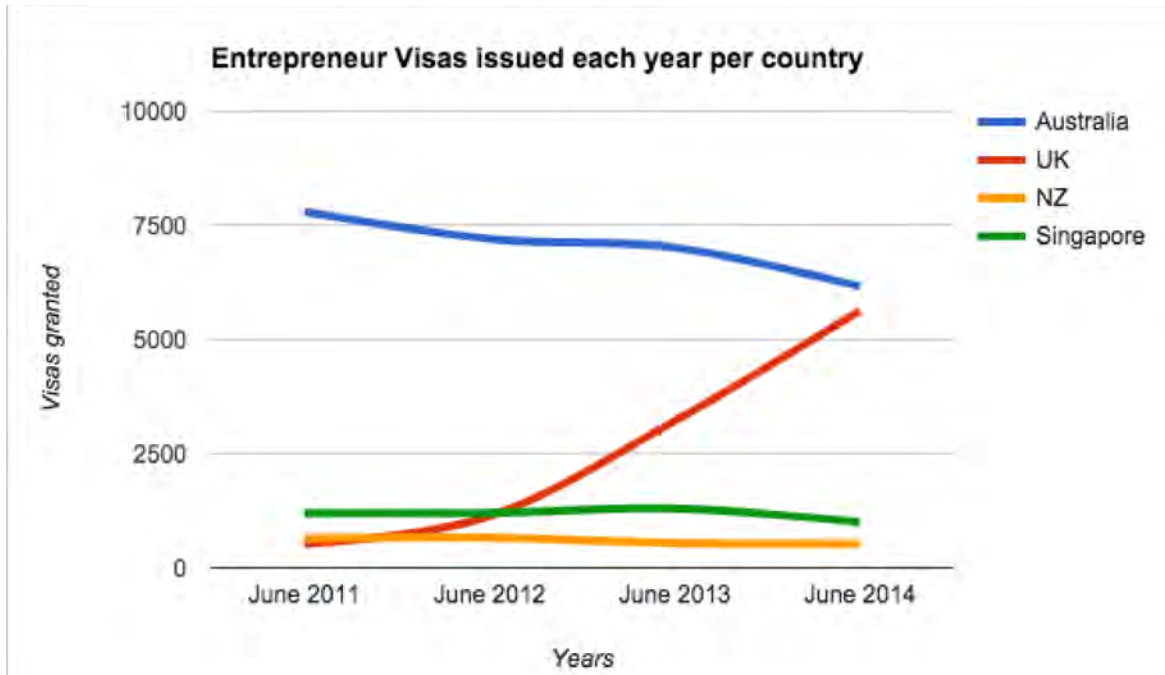
Australia, New Zealand and the United Kingdom are examples having implemented changes to their visa system to introduce specific requirements for migrants who want to migrate to start businesses and need a visa to do so. The United States is an interesting exception: they do not officially have a start-up visa policy, but offer alternative visas that may prove to be attractive to potential entrepreneurs.

Entry requirements and the definition of success vary between countries, though there are typically two key parameters:

1. The financial level (typically capital requirements) entrepreneurs and their businesses must hit to qualify for entry
2. How quickly job creation and revenues must occur for the entrepreneur to be granted permanent residence

Countries assess the initial application of a migrant entrepreneur mainly by considering the start-up's capital (amount and source) and the individual's profile (background and/or business proposal). The criteria are sometimes modulated, making the system flexible to the diversity of entrepreneurial profiles and businesses. For example, in the United Kingdom, the initial investment required is £200,000 and drops down to £50,000 if the capital is from a recognised venture capital fund. Another instance of flexibility: Australia offers 10 different visa options for global entrepreneurs that outline different profiles of entrepreneurs (young, experienced, investor-backed, etc.).

Eligibility to renew the visa or to convert a visa to permanent residency is assessed by the number of jobs created and either the additional investment made or the revenue created over a specific timeframe. Countries establish tight deadlines for entrepreneurs to reach these milestones because the countries want to quickly confirm that the start-ups have strong business potential.



Data sources: see appendix.

As shown in the graph above, countries with a specific visa category for entrepreneurs approve from 500 to 7,000 visas per year. Australia - which offers 10 different visa routes for entrepreneurs, has stabilised the number of applicants it approves at around 7,000 a year. The UK has introduced three different visa routes for entrepreneurs since 2008; each year the number of migrants approved for these visas has doubled due to appeals. Singapore and New Zealand have been running visa routes for entrepreneurs since the early 2000's and have reviewed their rules several times over the last year. Both countries have approved a constant number of applicants for entry each year.

Fast-Track Visa for Entrepreneurs (Process)

Most countries within the EU have opted for a start-up visa policy where foreign entrepreneurs can receive a fast-tracked review of their application for a general work visa.



Countries have adapted this policy in order to accelerate local innovation and channel it to existing national start-up hubs. The start-up visa policy is considered an element of a wider reform that has the goal of making the destination country more attractive to entrepreneurs and to spur local innovation. Across countries, this type of start-up policy has created centralised application processes to combat existing bureaucracy - and the application itself acts as an introductory procedure for foreign entrepreneurs to access government funds, loans and start-up support schemes.

Some EU countries have chosen not to set a bar for minimum capital requirements (Spain, Netherlands, Denmark) and have left decisions to discretionary measures closely linked to commerce chambers and government review of the particular business contribution to the national economy. Other countries require a minimum threshold of investment to go through this process (Ireland & Italy).

As shown on the map above, European countries have just recently introduced fast track visa policies for entrepreneurs. Ireland has approved around a hundred applications so far. Spain similarly approved slightly less than a hundred in a far shorter timeframe (September 2013 - May 2015). After a year running their program, Italy has approved less than 20 applications. These selective schemes, small in the numbers of visas granted, are in stark contrast to the numbers visas approved by the UK in 2015 but close to the numbers the UK started with back in 2008.

Incubation (Program)

Some countries have decided to create aggressive start-up policies in the form of selective programs that target high-profile entrepreneurs.



Start-Up Chile is a successful example described by Vivek Wadha as “taking advantage of the stupidity of US immigration rules”, which they did by creating their own program to attract foreign entrepreneurs rejected by the US immigration system. Another program, started by Canada, has been described by its policy-makers as a scheme to attract “deceived” US foreign entrepreneurs. France and Denmark just launched a similar selective program with a strict quota of applicants selected and targeted at innovative and/or scalable start-up projects.

The four programs share a common desire to import entrepreneurial culture within a short period of time. To do so, these countries have set up strict quotas, respectively 50 for France and Denmark, 300 startups for Chile, 2,750 foreign entrepreneurs for Canada per year along with creating a selective process where they ask entrepreneurs to reside in the destination country for a defined period of time.

How efficient are these programs?

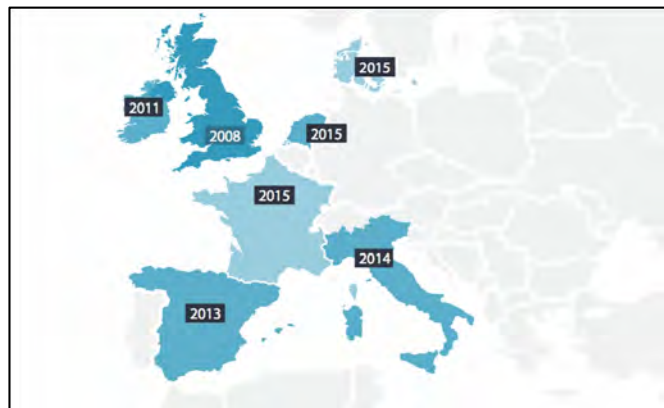
There has been little systematic evaluation of these visa policies and it is still too early to conclusively assess their success in attracting the next “Google”. Most programs have not existed for more than five years. Also, the diversity of start-up visa policies makes it hard to determine which one is best. The variety of policies reflects local differences in the development of entrepreneurial ecosystems, the various eccentricities of decades-old immigration systems and different political objectives of each national government.

Countries offering an attractive eco-system for business and entrepreneurs

The UK and Australia are attractive places for entrepreneurs. The size of their domestic markets, the strength of their economies, their existing business networks, and the existence of easy access to venture capital funds make these countries attractive and favourable places in which to start a business. Therefore, the introduction of a start-up visa enables a streamlined process for many entrepreneurs to legally reside in Australia or the UK and start companies.

Countries wanting to attract productive investment

European countries are still affected by the financial crisis with high youth unemployment rates and a relatively small pool of available investment funds. Therefore, some European countries have implemented start-up policies that provide an easy and clear process for highly innovative foreign entrepreneurs that spark innovation and create jobs. Through these policies, the countries hope to support new entrepreneurs entry into existing local business networks. Yet, Government budgets to market those schemes have been small to non-existent.



Countries of Europe having introduced Start-up visa Policies by type and year

In all countries, with the exception of Spain, the start-up visa policy relies on the evaluation by an expert panel on the impact of a project in terms of dedicated investment, jobs created and economic impact. For example, Italy’s start-up visa committee is composed of five experts in funding, innovation, entrepreneurship, general business and start-ups. Entrepreneurs are provided with work permits that can be renewed once progress in the business and economic impact is demonstrated.

For European countries, the start-up visa policy is thought of as one element of wider reforms focused on making the region more innovative. The start-up policies come with a collection of reforms with the goal of supporting local start-up ecosystems, funding solutions being a priority. They all converge on a similar

goal: to foster innovation, job creation and in the long term bring productive investment to the existing ecosystems.

Countries looking to spark a culture of innovation and risk

Canada, Chile, Denmark and France are interesting cases; their programs are aimed specifically at engineering innovation and entrepreneurship. They all have the ambition to import individuals with technical expertise, an innovative background and an entrepreneurial mentality to spur the development of their own local start-up ecosystems.

The Start-Up Chile program was started in 2010 on the advice of Vivek Wadha to attract and support a culture of innovation. Chile's program is considered one of the most progressive in the world as, unlike other start-up policies, the Government grants significant funding to the chosen entrepreneurs. The money is given in two tranches, to ensure entrepreneurs attend the six-month program. There is a strong link in between Start-Up Chile and Stanford University for it was first marketed there as a way for international graduate student that wanted to start and grow companies and could not do so for visa reasons in the United States.

Canada is an ideal place for entrepreneurs to start and grow businesses due to its economy and its business-friendly political system. However, its proximity to the United States - a stronger and more attractive market - makes Canada relatively less attractive to global entrepreneurs who typically try to immigrate to the US first. As such, Canada's start-up policy was developed while keeping in mind the difficult policies in the US related to entrepreneur visas. Canada offers three types of minimum thresholds to qualify for their start-up visa and permanent residency upon acceptance – benefits the US visa system does not offer. Unlike any other visa worldwide, Canada offers permanent residency once the visa application is successful.

Major Considerations

Every country with an entrepreneur start-up visa policy wants to attract the best possible innovators, and provide the tools that enable these innovators to maximize their impact on the local economy. However, despite the same overarching goal, governments have enacted different policies to achieve these goals with varying degrees of success. While it is too early to judge the efficacy of each country's policies, a comparison of the different start-up visa policies highlighted several themes and decisions that all policy makers must consider before enacting or revising a start-up visa policy.

1. Explicit time / revenue / growth milestones

Many visa policies explicitly define the benchmarks that entrepreneurs must achieve in order to remain in the country with a start-up visa.

It is understandable why countries want to set a short time frame for entrepreneurs to successfully create jobs, generate revenue or spend a certain amount of capital, as this allows the countries to identify and encourage good businesses early in their lifecycles. However, these tight deadlines can have harmful consequences for start-ups by discouraging risk-taking and preventing entrepreneurs from making changes to their business plans that might compromise their visa statuses.

For precisely these reasons Ireland modified its entrepreneur visa program. The timeframe to create jobs has now been removed, on the basis that for some businesses it can take longer to get off the ground

than others. Ireland also constrained the types of businesses that can apply to the visa category. Early stage companies are under higher pressure to show success quickly to renew their visa. Finally, these defined milestone requirements also require entrepreneurs to spend a significant amount of time dealing with paperwork and bureaucracy at the expense of focusing on their business.

2. Minimum Capital thresholds: pros and cons

Countries often include an explicit minimum investment requirement to apply for a start-up visa. This is intended to ensure that only genuine entrepreneurs with access to the amount of capital necessary to grow a business apply for start-up visas. This also positions the start-up visa to attract entrepreneurs hoping to build sizable, lasting companies that will truly contribute to local economies. Yet, setting minimum capital requirements too high can deter early stage start-up applications.

Start-up businesses, especially in the technology sector, do not raise venture or investor capital until they have a prototype. The process to create a prototype can be time-consuming – frequently taking six to nine months. Furthermore, for many start-up companies it can be preferable to invest slowly in the beginning and only increase investment as the business gains product market fit (traction).

The UK prospective entrepreneur visa and UK graduate entrepreneur visa are good examples of visas offering flexibility around capital requirements. The graduate entrepreneur visa allows graduates to stay one or two years after graduation to start a business with no funding requirement. The prospective entrepreneur visa allows an individual six months in the UK to raise funding. These two visas alternatives allow entrepreneurs time to raise capital in the UK and to switch to the UK Entrepreneur visa at a later stage.

Oftentimes entrepreneurs will raise funding via debt instruments in order to hit the high capital requirements. This adds potentially unnecessary risk and responsibility for the entrepreneur who is already taking a risk to start a business. By requiring high initial investments, countries could miss out on strong but early stage start-ups. Therefore, countries should carefully consider time and capital requirements as they develop their start-up visa policies.

3. Abuse

In the UK, the start-up visa policies have been subject to abuse and there is heavy anecdotal evidence of the visas being used as an alternative route to stay in the country. Some individuals use the UK Entrepreneur visa as a cheaper investor visa – the latter requiring two million pounds of investment as a minimum to apply.

The UK Government reacted by adding a genuine entrepreneur interview to the process. It caused rejection rates to jump: as many as one out of seven entrepreneurs failed the renewal of their visa in Q2 of 2013 due to the interview.

When experts and third parties are involved in the application process, rejection rates drop to 20% or less; as is the case in Australia, Italy and New Zealand. Including quality checks by third parties during the visa process can cut down on abuse by discouraging non-genuine applicants which can further reduce the backlog of applications.

4. Regional migration of entrepreneurs not global migration of entrepreneurs

Across Government statistics immigrant entrepreneurs are shown to most frequently be from countries within the same geographical region, often with a strong historical diaspora link and entrepreneurial

culture. Language, culture, existing business connections and geography are still heavy factors in the decision of an entrepreneur to move and set up a business abroad.

In Australia, more than two thirds of applicants accepted through the Business Innovation and Investment stream are from China, while the remaining third are primarily from South Asia. In the UK, most applicants come from within the Commonwealth. New Zealand, Italy and Chile follow a similar pattern.

It is yet to be demonstrated that entrepreneurs can, like commodities, be passed from country to country in the future. For now, start-up visa policies have not overcome the cultural and geographical barriers that prevent some of the best and brightest individuals away from open entrepreneurial clusters.

5. Attracting the best: it takes a holistic approach

At present, the effectiveness of entrepreneurial visas in attracting the best and brightest has not been proven. Start-up visa policies have not caused a surge in the number of applications and companies for most countries – so far most programs in Europe approved fewer than 100 applications a year, except for the UK (though strong anecdotal evidence seems to indicate abuse and failure of the entrepreneurs under the first iteration of the visa). On top of this, there has not yet been any evaluation of how much investment and how many jobs have been created as a result of these policies.

As Philippe Legrain, a visiting senior fellow at the London School of Economics' European Institute, and author of *Immigrants: Your Country Needs Them*, puts it "Start-up visas are better than nothing, but their benefits are massively oversold. They may succeed in selecting already successful entrepreneurs - the tip of the iceberg - but they are likely to miss the vast majority of would-be migrant entrepreneurs, notably those who haven't yet started a business and those who only come up with a viable business idea once they have migrated and acquired local knowledge, contacts and experience. For example, Karan Bilimoria, who has made a fortune by developing Cobra Beer, only came up with the idea after living in Britain and spotting a hole in the market. The best way to encourage migrant entrepreneurs is a flexible and open immigration system, such as the freedom of movement that exists across the EU or Sweden's labour migration system, which allows businesses to hire people of any skill level from anywhere in the world on two-year renewable visas.

The best new ideas and businesses are often sparked by diverse people with different skills, perspectives and experience mingling with each other in a global city like London, combined with the availability of capital, a favourable business climate, an openness to new ideas and a willingness to take risks. Just look at how many of the entrepreneurs in Tech City are migrants who were not selected by start-up visas, but arrived through other means, for instance the Estonians who set up TransferWise. Instead of government officials trying to pick winners, the best migration policy to encourage innovation and enterprise is one that is open and welcoming to newcomers in general." In fact, it is estimated by Management Today that a quarter of start-ups in Tech city were founded by migrant entrepreneurs³

This realisation has caused some governments to tweak their start-up visa policies to cater also to immigrants already in their country; and indeed start-up visa policies structured to allowing immigrants to continue residency in a country where they are already residing have had some indication of success.

The UK counts three times more successful applications to the visa from entrepreneurs already in the country than from outside the country. Italy is introducing a rule by which graduate students are

³ <http://www.managementtoday.co.uk/features/1171968/the-great-british-immigration-scandal-young-gifted-foreign-shut-uk/>

encouraged to apply to the program. Ireland introduced a 12 months visa for migrants attending boot camps in the country or graduating with science, technology, engineering or math (STEM) degrees.

These results seem to confirm that migrants become entrepreneurial once in their destination country; and start-up visa policies would benefit from providing time for them to develop an idea – and by making it easier to switch visas for people already in the country.

Conclusion

At present, 12 countries in the world have adopted start-up visa policies. Among them, four are reforms to pre-existing visa categories that facilitate the immigration of entrepreneurs, the other eight are recent creations.

These visa policies come after strong research showing immigrants are two times more entrepreneurial than native born individuals and that immigration plays a central role around innovation levels and economic development. On top of this, open visa policies for entrepreneurs bring an added benefit by driving positive public opinion as opposed with the wider negative views over immigration.

Most start-up visa policies in Europe have just begun and the ones that have been running for at least a year have only approved less than 100 applications a year. The challenge for these policies will be to show over the long term the impact they have. Focus should be applied to the tracking and evaluation of how much investment and how many jobs are created as a result of these policies.

Additionally, strong anecdotal evidence are suggesting that flexible visa requirements form an essential foundation that supports the growth of an innovative and international business creation hub - but alone cannot make global entrepreneurs want to move to another country to settle. Start-up visas can only increase the attractiveness of a country for potential entrepreneurs and investors; and signal that the recruitment of talent for a new venture will be supported by the immigration system as well.

Start-ups and entrepreneurs need a pool of talent to recruit from in order to grow successful companies. Flexible immigration policies on a wider scale - not only for entrepreneurs and founders but for individuals with key skills - are important enablers towards accomplishing this.

Talent has no nationality, no title and often, does not yet have money or ready access to capital. Start-up visa policies will bring a small number of job creators to national economies. However, they can only provide the spark and will need further action around the rethinking of how national immigration schemes are managed to really build the fires that will fulfil each nation's economic needs.

APPENDIX

Outline of Each different Start-up Visa Policies

Entrepreneur Visa (Category)

Australia - Business Innovation and Investment Programme

The Australian version of a start-up visa was formally commenced in July 2012 to supersede the Business Skills Programme set up in 1992. The programme is designed to attract high quality investors and entrepreneurs to Australia.

Visas & requirements

It has three visas subclasses (two providing permanent visas and one temporary visas) and substreams within it with different requirements for each - bringing the number of “visa” options to a total of ten. The requirements include thresholds for minimum assets, business credit history and capacity to run a business. The minimum asset threshold starts at \$650,000 via the Business Innovation Visa sub-stream.

Numbers

On average, 7,000 people come to Australia on the program annually.

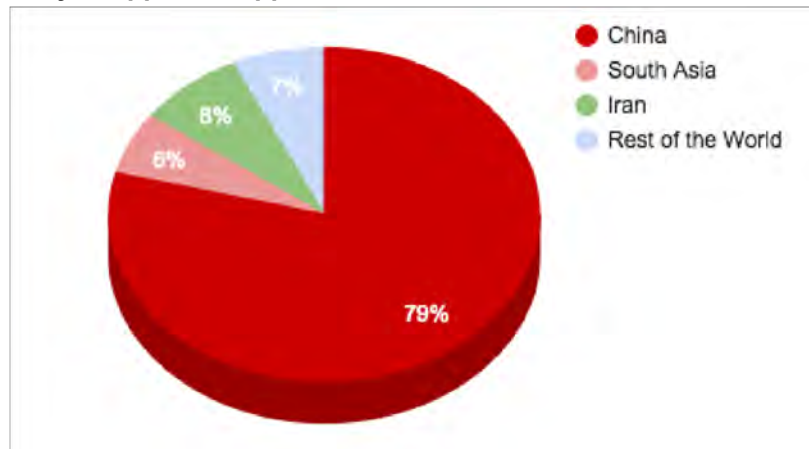
Business Innovation & Investment Programme	2010-2011	2011-2012	2012-2013	2013-2014	2014 - March 2015
Total Visa Granted	7 796	7 202	7 010	6 160	7 260

Nationalities

The overwhelming majority of applicants come from Asia with two-thirds of the total of applicants coming from China.

From 1 July 2012 to 31 July 2014, in relation to the 188A and 188B visas, the top five source countries were as follows⁴:

Origin country of approved applicants to the Australian BIIP



⁴ Inquiry into the business innovation and investment programme, Joint Standing Committee on Migration, The Parliament of the Commonwealth of Australia. Canberra, March 2015.

New Zealand - Entrepreneur Work Visa

New Zealand replaced its old Entrepreneur visa routes called Long Term Business in March 2014 by a new Entrepreneur Work visa. It aims to attract more “high calibre” migrants to invest in New Zealand along.

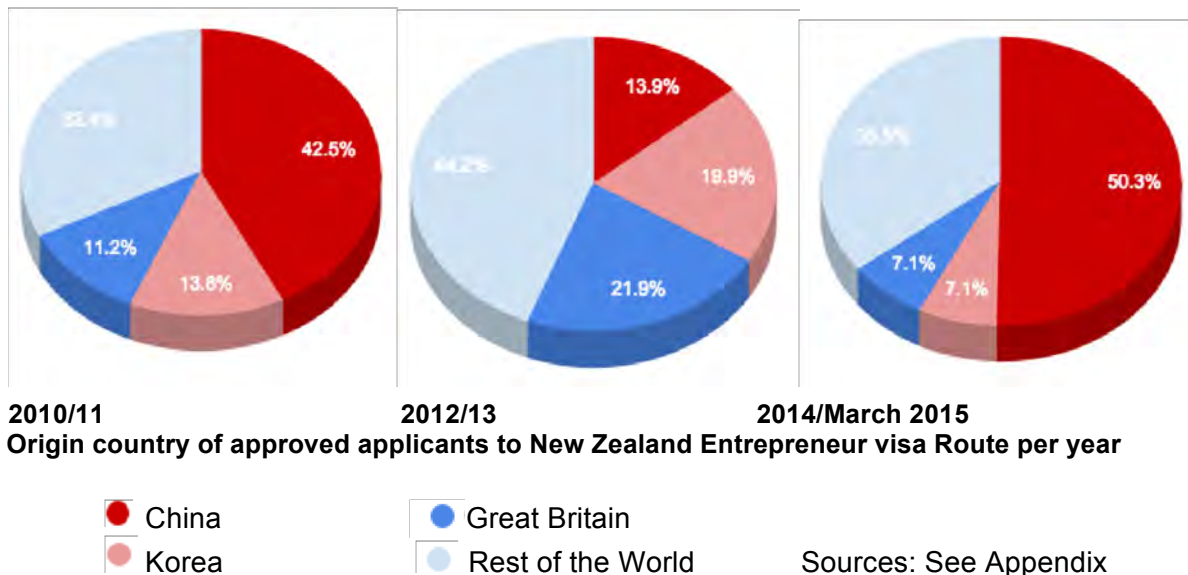
Visas & requirements

There are three visas for entrepreneurs: one temporary (Entrepreneur Work Visa) and two permanent (Entrepreneur Residence Category) providing residency in six or two years depending on how well the business has performed under the previous temporary visa. The Entrepreneur work visa is first granted for a year (Start-up Stage) and automatically extends to two more years (Balance Stage) after the business is registered and the capital moved in the first year. The minimum funding is approximately US\$75,000, an amount that may be waived for innovative start-ups upon request.

Numbers

262 visas have been granted under the new Entrepreneur Work visa since its inception in 2014⁵. Under the old scheme – Long Term Business - an average of 400 visas were granted each year.

Similar to Australia, most successful applicants so far have arrived from Asia, and China is steadily becoming the prime location of origin of entrepreneurial migrants. The following pie shows for progressive increase of successful entrepreneurial applicants coming from China to New Zealand Entrepreneur over the years.



⁵ Includes Entrepreneur Work Visa Balance of 3 years, interim, Reconsideration and Change of Plan sub-streams.

Singapore - Entrepass

Singapore Entrepass was created in 2004 and has since gone through several updates in an attempt to improve the quality applicants and ensure they attract “foreign entrepreneurs who can inject innovation and vibrancy into Singapore’s business sector by starting up a new company”.⁶

Visa & requirements

The visa is granted for a year and renewal criteria are based on progressive targets for local job creation, revenues and spending. An important focus is made on innovation.

Numbers

There were 1,300 Entrepass visa applications in 2012 and 1,000 in 2013, with 50% of these ultimately accepted. The numbers are expected to be lower after the review of 2014.

UK – Graduate, Prospective, Entrepreneur Visas

UK Entrepreneur visas were introduced in 2008 replacing the tier 1 general category for highly skilled migrants and the highly skilled program that allowed highly skilled migrant to come to the UK for two years without the need for a job offer.

Visa & Requirements

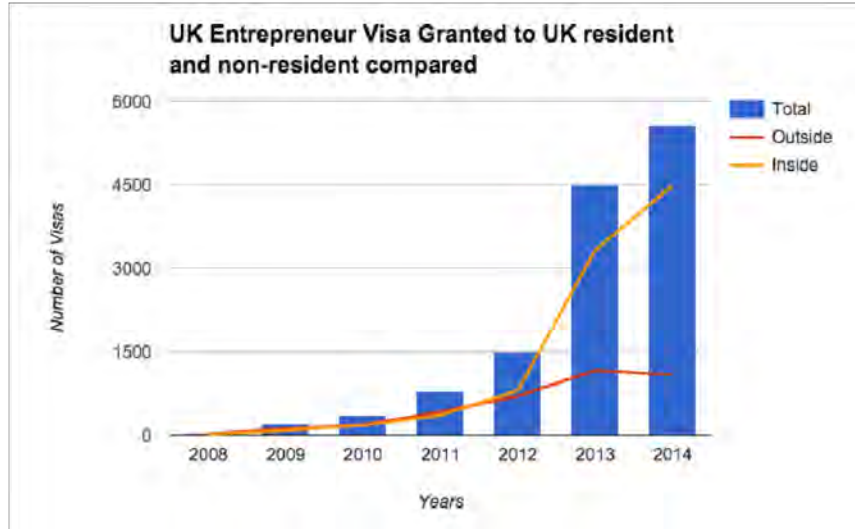
The UK version of a start-up visa policy is made of three visas: the UK Entrepreneur visa (2008), the Prospective entrepreneur visa and the Graduate entrepreneur visa (2012). It aims at welcoming the best and brightest entrepreneurs worldwide with a red carpet.

The main one, UK Entrepreneur Visa, checks mainly for the funding threshold to be met. The two other visas are options for entrepreneurs considering the UK and graduates who would need a little more time to qualify for the UK Entrepreneur visa.

Numbers

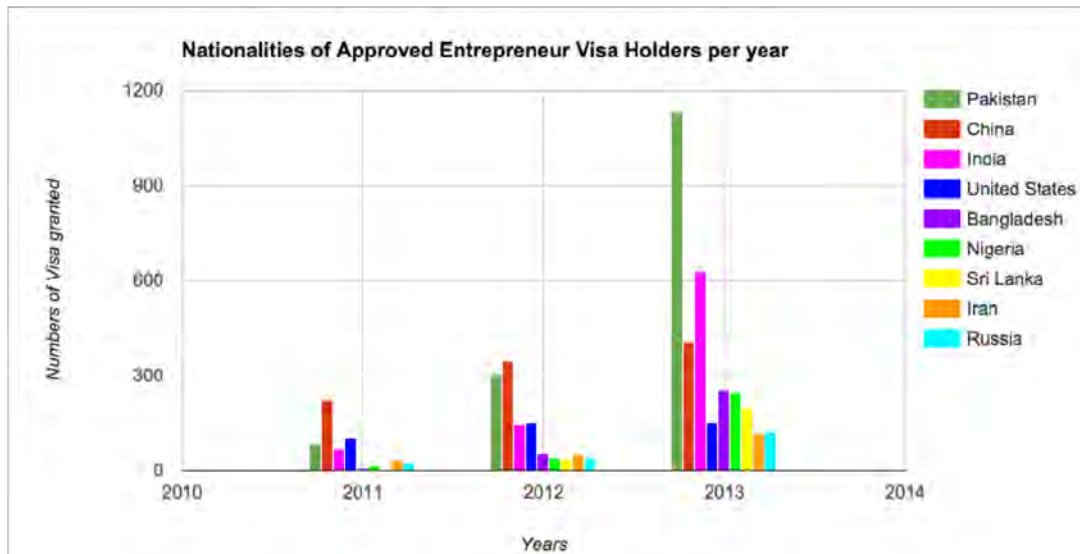
There has been impressive growth in number of applications over the last six years with a stark contrast between application made from within the UK and applications made offshore.

⁶ Australia's loss is S'pore's gain. <http://business.asiaone.com/news/australias-loss-spores-gain>



Visas granted to applicants residing outside the UK have grown 160% each year compared to an average growth of 330% of visas granted each year for entrepreneurs already living and residing in the UK. In 2014, a total of 5,576 visas were granted, among which 4,487 visas were granted to entrepreneurs already in the country and 1,089 entrepreneurs outside the UK.

Nationalities



Chinese, Pakistani and Indians were the first three nationalities granted entrepreneurial visas in terms of total numbers from 2008 to 2013.

* *

Fast-Track Visa for Entrepreneurs (Process)

Ireland - Start-up Entrepreneur Programme

Launched in 2012 to stimulate productive investment in Ireland, the program was reviewed in March 2014 to refine its target applicants and is being reviewed this May 2015.

Visa & requirements

The visa grants residency for two years to entrepreneurs creating innovative products or servicing international markets with an investment minimum of €50,000 and a business that is less than six years old. The company needs to demonstrate that they aim to create 10 jobs in Ireland and intend to realise €1 million in sales within three to four years of starting up. The visa is granted for two years and renewable for three more years. These are not qualifying requirements but are results expected to be included in the business plan submitted with the application.

Also, two new reforms are complementing the programme:

- a 12-month immigration permission is available for entrepreneurs attending incubators or innovation boot camps in Ireland and non-EEA students who graduate with advanced STEM (Science, Technology, Engineering, and Mathematics) degrees. It allows entrepreneurs to prepare an application to the Start-up Entrepreneur programme.
- the possibility for any company - no matter size or revenue - to recruit foreign workers right away if the job description is related to any of the positions where shortages exist in the Irish economy, such as in technology, medicine, and other specific fields.

Initial Results

From April 2012 until March 2014, 35 applications were filed and 20 approved; the government reports that these 20 approved applicants generated a potential investment of over €6 million and a projected employment creation of over 220. 10 other applications were refused and referred to the Business Permission Scheme for assessment to better facilitate entrepreneurship from more traditional sectors.

Spain – Ley de Emprendedores

Launched in September 2013, this policy was created to attract foreign investment and entrepreneurs in order to improve the competitiveness and innovation in Spain.

Visa & requirements

The start-up policy offers five visa categories from investors to entrepreneurs and highly skilled workers. The visa criteria for entrepreneurs require them mainly to have a government-vetted business plan in Spanish. The process and decision is made in ten days and the residence permit provided in twenty days. The visa comes with access to a government unsecured lending program, which has about €100 million, or \$125 million, to lend to innovative small and midsize companies each year. The loans, from €25,000 to €1.5 million, are available to all entrepreneurs, regardless of nationality, who have a business based in Spain (except for those running real estate or financial ventures).

Initial Results

Slightly fewer than 100 entrepreneurs have received a visa through this policy, bringing €265 million pledged funding for business projects in Spain.

Italy - Start-up Visa Italia

Launched in June 2014, it aims at attracting innovative entrepreneurs to Italy's regional start-up hubs and capitalize on the "Made in Italy" brand and savoir-faire.

Visa & requirements

The policy is aimed at innovative start-ups founded within the past five years that have access to €50,000 minimum capital. The application can be made directly or through an Italian incubator to the Italian Start-up Visa Technical Committee that reviews and issue a 'Certificate of no Impediment'. If approved, the entrepreneur may then apply for a work permit. The decision process takes 30 days maximum. Unlike most programs, the application paperwork is fully done online and can be submitted in English without the need for translation in Italian.

The program has recently opened to foreign graduate students already in Italy to offer them an alternative opportunity after they graduate to stay and start a company.

Initial Results

One year after inception, the program has received 25 applications out of which 70% were approved. Most entrepreneurs accepted through this visa process were from Russia, Japan, South Korea and Ukraine.

Netherlands - Start-up Permit

The Startup visa policy was launched and officially implemented on January 2015. The policy was created to attract people who will found innovative businesses.

Visa & requirements

The policy makes it possible for ambitious entrepreneurs to apply for a temporary residence permit in the Netherlands. It grants a year of residence, requires a business plan and an advisor who is an experienced facilitator based in the Netherlands. The IND and Netherlands Enterprise Agency review applications. If approved, the applicant is referred to Start-up Delta, a collaboration between government, accelerators, investment groups and start-ups, to provide them with guidance on starting a business in the Netherlands.

Initial Results

Four months and a half into the program, there has been 35 applications received and four approved. A significant number of applicants come from Ukraine.

* *

Incubation (Program)

Canada - Start-up Visa Program

The Canadian version of a start-up visa was unveiled in April 2013, replacing the old Entrepreneur visa that only required the foreigner to recruit one Canadian for one year. The program aims at making Canada attractive to the world's best and brightest entrepreneurs.

Visa & requirements

The main requirement is that the entrepreneur has the financial backing of a designated venture capital firm (CA\$200,000) or designated angel investor group (CA\$75,000), or is accepted by a designated incubator program. The program has set a quota of 2,750 visas per year.

Numbers

Two years after its launch, only 5 visas have been issued. 30 more are reportedly being processed at the moment⁷.

Chile - Start-Up Chile

The Chilean version of a start-up visa was started in 2010 with a pilot program that accepted 20 entrepreneurs with a business idea to develop in Chile for six months. The program was created to attract entrepreneurial talent to Chile to create a culture of innovation within the country.

The program runs like a competition for funding, with three competitions each year. Each competition results in the selection of 100 start-ups with on average two founders per start-up. The successful applicants are then provided with funding (20 million Chilean Pesos, space, networking and mentoring for six months).

Numbers

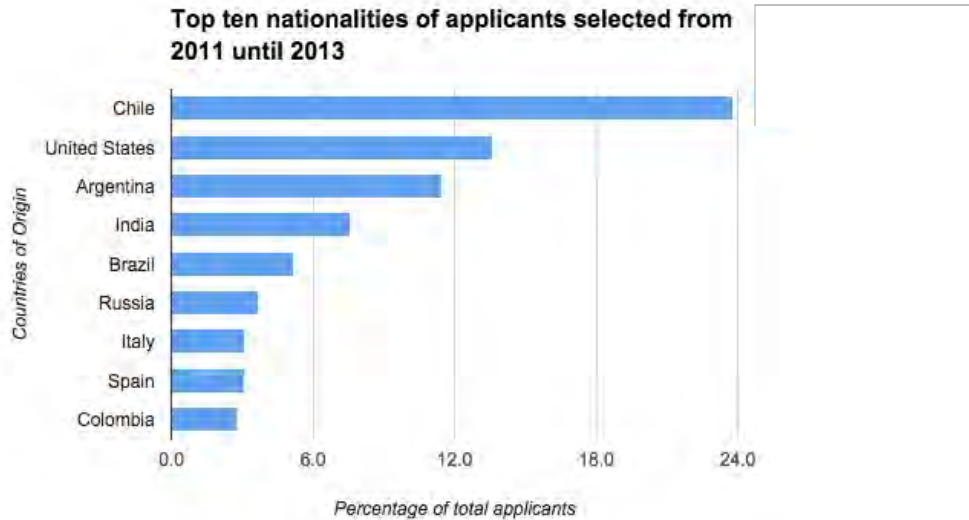
On average the program receives in between 1200 to 1300 applications for each round. The number of foreigners getting on the program and so visas issued at each round fluctuates from 100 to 150 including partners and dependents⁸. Around 15% of them will stay after the program and get a second letter from the program to apply for renewal of their visa.

Nationalities

A growing proportion of selected applicants come from Chile (from 17% in 2011 to 27% in 2014) and Latin America including Chileans (from 33% in 2011 to 53% in 2014). In the last three years, the US (13,4%) has been the top provider of foreign entrepreneurs followed by Europe (10%) and India (7,6%).

⁷ Five visas in 20 months. Is Canada's Startup Visa program achieving what it set out to do?
http://business.financialpost.com/entrepreneur/fp-startups/five-visas-in-20-months-is-canadas-startup-visa-program-achieving-whatit-set-out-to-do?__lsa=f3330-d07b

⁸ Data from interview with Angeles Navarro, Start-Up Chile Global Networks Director. April 2015



In total, Start-Up Chile has attracted more than 2,000 entrepreneurs since 2010 whose businesses have raised more than \$100 million in private capital.

Denmark - Start-up Denmark scheme

The scheme launched February 2015 and officially opened to applications since April 2015 aims to help talented entrepreneurs relocate and grow high-impact start-ups in Denmark.

Visa & requirements

The policy makes it possible for 50 ambitious entrepreneurs with global market scope for their business idea to apply for a temporary residence and work permit in Denmark. The application process takes 8 weeks from the assessment by a panel of experts of the application to the application for a two year renewable entrepreneur residence permit - if positive evaluation by the panel.

France – FrenchTech Ticket

The scheme announced in May 2015 will start January 2016. It officially opens applications on June 2015 aims at bringing international entrepreneurs and scalable businesses in Paris, France to launch and grow competitive companies.

Visa & requirements

The policy offers 50 ambitious entrepreneurs with innovative or scalable idea to come start their company in France with favourable conditions:

- funding of EUR12.500 to each successful applicant for six months. Renewable for six months with a new funding of EUR12.500 (equating to EUR25K total);
- Free space in a partner incubator and access to mentors;
- A Help Desk to provide assistance with red tape; - Lower prices on Air France flights.

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