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Erasmus+ Programme  
of the European Union



# MigrEntrepreneur

## State of the Art Report [Greece]

[Date: 15-09-2020]

[Eleni Tsareli, Ekpedeftiki Paremvasi S.A.]



ΚΕΚ ΕΚ.ΠΑ.  
ΕΚΠΑΙΔΕΥΤΙΚΗ ΠΑΡΕΜΒΑΣΗ Α.Ε.

*This project (project n° 2019-1-DE02-KA202-006213) has been funded with support from the European Commission. This publication reflects the views only of the author, and the Commission cannot be held responsible for any use which may be made of the information contained therein.*



## 1. Introduction

Here we should define the term of “Migrant Entrepreneurship” as we discussed during the Kick-Off Meeting. As mentioned statistics in Germany distinguish here different categories. We need a common definition, so that statistics can be compared under the same conditions

## 2. Data / statistics

According to EUROSTAT, the total population of Greece in 2017 is 10,768,193.<sup>1</sup> In 2017, the unemployment rate of Greece was 21.5%. In February 2018, Greece’s unemployment rate was 20.8%. Following the financial crises, the unemployment rate in Greece had been gradually increasing, reaching a peak in 2013 when it stood at 27.5%, and then began to gradually decrease in 2014. Currently, Greece has the highest unemployment rate in the European Union. Naturally then, Greece is also the country with the lowest employment rate, which in 2017, stood at 57.8% in 2017. The Europe 2020 target for the employment rate of people aged 20 to 64 in Greece is 70%.

According to the OECD, the self-employment rate in Greece in 2016 was 34.1%.<sup>2</sup> According to the same source, Greeks are much more likely to be self-employed than other EU citizens. For example: in 2015, the self-employment rate for Greece was 29.9%; which is slightly more than double the European Union (EU) average. As older people and the youth were the demographic group most disproportionately affected by the crisis, they showed high self-employment rates.<sup>13</sup> To Andreas Gennimatas, entrepreneur and Vice President of The City of Athens Development and Destination Management Agency (ADDMA) which designs, plans and implements a wide range of projects to boost competitiveness and entrepreneurship in Athens, “the spirit of entrepreneurship is integrated in our culture and our DNA...a self-motivated, persevering, risk-taking and independent personality also plays a huge role” in the decision to start a business.

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<sup>1</sup> EUROSTAT, *Population change - Demographic balance and crude rates at regional level*, (European Union, May 15,2018)

<sup>2</sup> OECD (2018), Self-employment rate (indicator). doi: 10.1787/fb58715e-en (Accessed on 01 August 2018)

According to the 2011 Population and Housing Census the total number of immigrants who settled in Greece in 2010 was 79,554. Of this total number of immigrants, 43,341 were male and 36,213 were female. The last available yearly statistics from 2016 show that in that year alone, the total number of new immigrants arriving in Greece was 116,867, of which 70,384 were males and 46,483 were females. Of this number, 16,623 immigrants came from an EU country, 30,747 from Greece, (repatriating) and 69,497 immigrants originated from non-EU countries. Out of the 116,867 immigrants arriving, 25,508 were younger than 15 years old while 85,110 were between 15-64 years old, and 6,249 were over 65 years old<sup>3</sup>. Since 2016, 44,072 residence permits have been issued in Greece on the basis of 4 different reasons:

1. Family—23,598 permits issued (53.5% of total)
2. Education—902 permits issued (2% of total)
3. Employment—2,133 permits issued (4.8% of total)
4. Other—17,439 permits issued (39.6% of total)<sup>4</sup>

There is no recent data available for migrant entrepreneurship in Greece. However, there is one set of data available from the research and fieldwork of Labrianidis and Hadziprokopiou<sup>5</sup> published in 2010 on migrant entrepreneurship in the city of Thessaloniki, Greece's second largest city. According to Labrianidis and Hadziprokopiou, the accuracy of official data on migrant entrepreneurship is limited while their reliability is problematic: immigrants do not appear as a separate category of entrepreneurs and there is no distinction between “migrants” and other foreign nationals such as investors. In addition, there is no account of the migrants who acquired Greek citizenship and the data does not disaggregate at regional or municipal level.<sup>21</sup> The findings from their study of Thessaloniki is as follows: 28.8% have businesses in clothing, retail and wholesale; 13.6% in restaurants, fast-food and cafes; 18.6% in “migration” services which included translation, travel, money transfer and call centers; 16.9% in “ethnic products” retail which included mini-markets and food stores, press and books, DVDs and CDs, cosmetics and hair products etc.; 8.5 % in other general retail, and 13.6 percent in other services.

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<sup>3</sup> Eurostat Statistics Explained, File: Immigration by Citizenship, (Europa, March, 2018)

<sup>4</sup> Eurostat Statistics Explained, File: First residence permits issued by reason, 2016, (European Union, November 15, 2017)

<sup>5</sup> Lois Labrianidis & Panos Hadziprokopiou, Migrant Entrepreneurship in Greece: Diversity of Pathways for Emerging Ethnic Business Communities in Thessaloniki, (Springer Science+Business Media B.V., April 9, 2010) p. 197

In Greece, the Ministry of Labour, Social Insurance and Social Solidarity (Υπουργείο Εργασίας και Κοινωνικής Ασφάλειας & Κοινωνικής Αλληλεγγύης, ΕΡΜΗΣ) is the government ministry responsible for all aspects of employment and doing business. The ministry also has an online platform where entrepreneurs can file all their required documentation. The Hellenic Manpower Employment Organization (Οργανισμός Απασχόλησης Εργατικού Δυναμικού - Ο.Α.Ε.Δ.) is also the government institution related to unemployment, employment programs and job creation.

The Ministry of Economy and Development (Υπουργείο Οικονομίας & Ανάπτυξης) is also involved in initiatives on promoting entrepreneurship in Greece. The Enterprise Greece Agency, the Greek national investment agency, also provides initial assistance to investors and entrepreneurs in dealing with government institutions. Also, for aspiring entrepreneurs, the Greek Financial Directory presents a detailed and updated profile for each company in the Greek market and contains more than 20,000 companies operating in all spheres of activity.

For migrants, following the passing of Law 4251/2014 Immigration, Social Integration Code, non-EU citizens have slightly better access to the labour market which includes self-employment.<sup>40</sup> Under this new law, non-EU citizens renewing their first permit receive a permit for employment or entrepreneurship with clearer conditions on setting up a business in Greece. Today, Migrant workers can only become entrepreneurs after becoming long-term residents. The new code also stipulates adequate knowledge of the Greek language, history and culture as a criterion for inclusion and granting a long-term residents permit. As of April 2016, Law 4375/2106 stipulates that all international protection beneficiaries such as refugees, beneficiaries of subsidiary protection and beneficiaries of humanitarian protection can have access to wage employment, or self-employment, on the same terms and conditions that apply for Greeks provided they hold a valid residence permit. Due to the economic and migration crises, the priorities for entrepreneurship for the government for the period 2014-20, focuses on the promotion of innovation, research and technological development. To promote innovation and entrepreneurship, these priorities are embodied in the government's new operational program called "Competitiveness, Entrepreneurship and Innovation" (EPAnEK), which is one of the five sectoral operational programmes of the Partnership Agreement of for the Development Framework. (Εταιρικό Σύμφωνο για Πλαίσιο Ανάπτυξης, ΕΣΠΑ)

### 3. Funding/support Programs entrepreneurship

According to Invest Europe, the European venture capital and private equity association, Greece has one of the lowest levels of venture capital and private equity activity in the entire EU - despite the fact that small and medium-sized enterprises (SMEs) are responsible for two out of three jobs in Europe and usually need access to equity financing to build and develop their businesses.<sup>59</sup> In this context, the following is a list of the most active venture capital groups in Greece that facilitate innovation, entrepreneurship and provide opportunities for young entrepreneurs.

1. Opportunities to Access Capital, Mentoring and Business Development Support
  - a. Venture Friends ([www.venturefriends.vc/en/about-us](http://www.venturefriends.vc/en/about-us))
  - b. Marathon Venture Capital <sup>6</sup>
  - c. National Bank of Greece (NBG) Business Seeds Program<sup>7</sup>
  - d. Big Pi Ventures – focuses on technology transfer by assisting both research-based projects and companies;
  - e. Metavallon – an accelerator fund that focuses on pre-seed and seed stage fund companies, targeting technology and intellectual property (IP)-driven startups primarily in ICT and engineering products;
  - f. Velocity.Partners – a pre-seed and seed acceleration fund that focuses on Greek technology companies and provide them with global exposure and market traction;
  - g. Uni.fund – targets pre-seed and seed investments in the broad technology sector, aiming to leverage the hidden potential at Greek universities, R&D and technological space;
  - h. Elikonos 2 – providing financing solutions to companies in sectors that offer the strongest growth opportunities;
  - i. EOS Capital Partners – aims to establish a premier Greek private equity group with a long-term perspective that will support growth companies;
  - j. Synergia Hellenic Fund IV – is a fund that targets Greek SMEs in sectors that is deemed to offer great growth opportunities, while also adding value through active, hands-on partnership with investee companies' management

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<sup>6</sup> Jessica Bateman, How Greece is Reversing Brain Drain, (BBC, April 6, 2018)

<sup>7</sup> National Bank of Greece, Business Seeds, <https://www.nbg.gr/en/nbgseeds>

According to Liargovas and Skandalis<sup>8</sup>, though the past decade showed a remarkable growth in entrepreneurship among immigrants in Greece, their participation and contribution to Greek society is still marred by issues of social integration, crime, exclusion, racism and discrimination. Their empirical research on the motivations of migrant entrepreneurship in Greece provided empirical insights into the factors which played a critical role in the starting and existence of migrant business. They found that the intention to becoming an entrepreneur depended on family survival needs, immigrant community ties, personality features or traits and market infrastructure as well as the general conditions of the Greek economy.

Their findings show that shares of entrepreneurs are surprisingly low among migrant populations in Greece and display little ethnic variation while immigrant entrepreneurship mostly related to services at the “lower end of the economy” and are necessity driven. Furthermore, only a limited number of sectors, such as retail trade, food & beverage services, and construction, attract more than 60% of all migrant entrepreneurial activities. Opportunities for innovative, technology-driven and knowledge-based businesses are scarce for immigrants. According to the authors, institutional rigidities concerning the labour market as well as the lack of any meaningful and supportive government initiatives accounts for this lack of entrepreneurship among migrants in Greece. <sup>9</sup>These findings are also corroborated by other reports.

According to the OECD, despite migrants showing higher rates of entrepreneurship in comparison to the native-born, migrant businesses have significantly lower survival rates than businesses created and run by native-born entrepreneurs.<sup>10</sup> In her report for the Migration Policy Institute (MPI), Maria Vincenza Desiderio, also summarizes other challenges faced by migrants, pointing out that credit constraint is also greater for immigrant entrepreneurs. For example, immigrants are more likely to lack collateral for banks such as owned homes or property. At the same time, migrant businesses also have higher failure rates and migrants may also face discrimination from banks who are simply not

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<sup>8</sup> Panagiotis G. Liargovas and Konstantinos S. Skandalis, *Motivations of migrant entrepreneurship in Greece: a factor analysis approach*, (Journal of Small Business and Enterprise Development, Vol. 19 Issue: 4, 2012) pp.627-639,

<sup>9</sup> Costas Stampolas and Alexandra Tragaki, “Migrant Economic Activity in Europe: Migrant Entrepreneurs in the Wider Athens Area,” The Jean-Monnet Papers on Political Economy, The University of the Peloponnese, 2017. [https://jmcegovernance.files.wordpress.com/2016/09/jm\\_paper\\_16.pdf](https://jmcegovernance.files.wordpress.com/2016/09/jm_paper_16.pdf)

<sup>10</sup> Maria Vincenza Desiderio, Policies to Support Immigrant Entrepreneurship, (Migration Policy Institute, August 2014)

familiar with the migrant community. This lack of access to capital and microfinancing results in migrants being barred from entering businesses that pertain to the higher end of the sector, and limits them to businesses with low barriers to entry, such as construction, retail and catering.

Austerity measures that followed the Greek crises, inevitably, not only made banks reluctant to lend to Greeks, but more so to migrants for all the reasons listed above.

Furthermore, while most entrepreneurship support programs by the government and private sector are generally available to the entire young population of Greece regardless of citizenship status, in reality, migrants, and in particular newly arrived migrants, find it challenging to access and benefit from these programs due to fundamental obstacles such as language barriers.

According to the OECD's latest report on the integration of migrants and refugees in Athens, one of the major problems remains the language barrier migrants face as several migrants cannot make use of the integration opportunities, initiatives or programmes offered by municipal services due to limited knowledge of Greek. Limited familiarity with how to complete the required administrative procedures as well as limited knowledge of the initiatives is also a reason why migrants underuse of municipal services. There is no systematic language training in place at all levels of the municipal services.<sup>11</sup> At a more basic level, for first-generation migrants, the fact that they are new arrivals in a new country, often traumatized and struggling to adapt both to loss and a new and foreign environment, places them in an intrinsic disadvantage that must not be overlooked.

#### 4. Projects /Trainings

<b>[Title project 1]</b>	<b>Hellenic Integration Learning Centers (HELIOS)</b>
<b>Project Lead:</b>	IOM
<b>Contact Details:</b>	<a href="https://www.refugee.info/greece/services/3742?language=en">https://www.refugee.info/greece/services/3742?language=en</a>
<b>Description:</b>	<i>Employability support: Provision of individual employability and job readiness support, including through job counseling, access to job-related certifications and networking with private employers.</i>

<sup>11</sup> *Working Together for Local Integration of Migrants and Refugees in Athens* (OECD, July 26, 2018)

<b>Further Information:</b>	<i>Add links to publications, websites etc.</i>
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<b>[Title project 2]</b>	<b>Generation 2.0 RED</b>
<b>Project Lead:</b>	Generation 2.0 for Rights, Equality & Diversity
<b>Contact Details:</b>	<a href="https://g2red.org/contact/">https://g2red.org/contact/</a>
<b>Description:</b>	<ul style="list-style-type: none"> <li>• <i>One-on-one career counseling sessions</i></li> <li>• <i>Information about labor rights and employment procedures in Greece</i></li> <li>• <i>Information about educational and vocational training programs</i></li> <li>• <i>Skill development groups</i></li> <li>• <i>Entrepreneurship counseling for people who want to start a business or social enterprise</i></li> <li>• <i>Assistance searching for a job</i></li> <li>• <i>Workshops on CV and Motivation Letter writing, job search techniques, interview preparation, etc.</i></li> </ul>
<b>Further Information:</b>	<i>Add links to publications, websites etc.</i>

<b>[Title project 2]</b>	<b>Sona Circle</b>
<b>Project Lead:</b>	Sona Circle
<b>Contact Details:</b>	<a href="https://sonacircle.com/">https://sonacircle.com/</a>
<b>Description:</b>	<p><i>Sona Circle is a professional networking platform linking job seekers and local employers:</i></p> <ul style="list-style-type: none"> <li>• <i>Share your skills and experience in your profile</i></li> <li>• <i>Forums host discussions on many topics, job postings, educational material, etc.</i></li> <li>• <i>The live feed showcases updates and local opportunities</i></li> </ul>
<b>Further Information:</b>	<a href="https://sonacircle.com/">https://sonacircle.com/</a>

<b>[Title project 2]</b>	<b>Center for Social Integration and Employability</b>
<b>Project Lead:</b>	CARITAS HELLAS
<b>Contact Details:</b>	<a href="http://caritas.gr/">http://caritas.gr/</a>
<b>Description:</b>	<p><i>The Center for Social Integration and Employability of Caritas Hellas in Kipseli offers:</i></p> <ul style="list-style-type: none"> <li>• <i>Social services, including information and referrals</i></li> <li>• <i>Job counseling, including soft skills, job search techniques, and CV-writing workshops</i></li> </ul>



	<ul style="list-style-type: none"> <li>• <i>Vocational training programs and educational seminars</i></li> <li>• <i>Business and financial counseling</i></li> <li>• <i>Greek and English language lessons for adults</i></li> <li>• <i>Recreational and cultural activities for adults</i></li> <li>• <i>Psycho-social support and empowerment groups</i></li> <li>•</li> </ul>
<b>Further Information:</b>	<i>Add links to publications, websites etc.</i>

## 5. Sources

1. EUROSTAT, *Population change - Demographic balance and crude rates at regional level*, (European Union, May 15, 2018)
1. OECD (2018), Self-employment rate (indicator). doi: 10.1787/fb58715e-en (Accessed on 01 August 2018)
2. Eurostat Statistics Explained, File: Immigration by Citizenship, (Europa, March, 2018)
3. Eurostat Statistics Explained, File: First residence permits issued by reason, 2016, (European Union, November 15, 2017)
4. Lois Labrianidis & Panos Hatziprokopiou, *Migrant Entrepreneurship in Greece: Diversity of Pathways for Emerging Ethnic Business Communities in Thessaloniki*, (Springer Science+Business Media B.V., April 9, 2010) p. 197
5. Jessica Bateman, *How Greece is Reversing Brain Drain*, (BBC, April 6, 2018)
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7. Panagiotis G. Liargovas and Konstantinos S. Skandalis, *Motivations of migrant entrepreneurship in Greece: a factor analysis approach*, (Journal of Small Business and Enterprise Development, Vol. 19 Issue: 4, 2012) pp.627-639,
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