

MIGRANT ENTREPRENEURSHIP IN HUNGARY

Regional Report

Version 1
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1. INTRODUCTION

The following analysis is a part of the research activities within the Interreg Central Europe project *Social Entrepreneurship as an Enabling environment for Migrants' Employment and Integration* (SEE ME IN) co-financed by the EU. It aims to promote immigrants' entrepreneurship to make them more competitive on the market thus contributing to the general developmental performance of the country and providing social cohesion.

The Regional Report is attempting to analyze the situation of migrant entrepreneurship in Hungary. It aims to provide insights in the field of:

- the specific managerial models and practices used in relevant sectors;
- the products and services;
- the needs answered;
- the markets on which they work as well as;
- the prospective markets they could access.

The aim of the analysis is to provide an in-depth context analysis on immigrants' entrepreneurship. The study deploys various research techniques in order to achieve the following objectives:

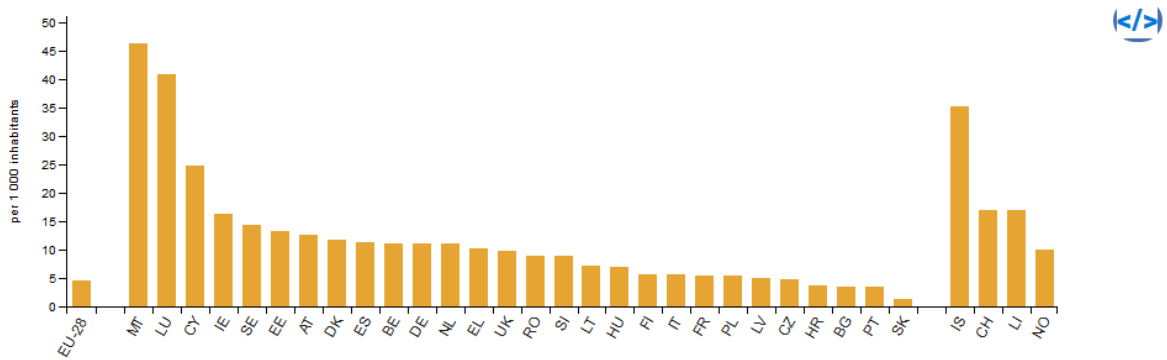
1. Secondary data analysis to outline the legal framework and broader social context:
 - The general overview of migrants and their social context in the region;
 - General information regarding the legislation in the fields of entrepreneurship, migration and (self) employment; the labor market legislation - including the specific laws, the date of adoption, the relation to migration, and broader social context of migrant entrepreneurship;
 - International agreements;
2. Fieldwork (survey, semi-structured interview) and primary data analysis:
 - Mapping existing enterprises, including the numbers of employees, turnovers, prevalent sectors, services and production process of migrant enterprises to identify managerial, technological, skills and market related advantages and shortages;
 - Analyzing the training needs;
 - Assessing migrants' ability to network and integrate;
 - Recognizing specific managerial models and practices used in relevant sectors;
 - Determining common products and services of migrants' entrepreneurs, the answered needs, the markets on which they work as well as potential markets they could access;
 - Recognizing specific shortcomings and the corresponding solutions, practices and technologies already existing in other regions or being applied by other actors in the market.



2. LEGAL AND SOCIAL CONTEXT

The general overview of migrants and their social context in the country

The proportion of foreign citizens residing in Hungary has been increased in the last decade due to the decline of the Hungarian population and the increase of foreign population. Compared to European countries, Hungary still has a modest presence of immigrants (7.0 immigrants per 1,000 inhabitants in 2017).

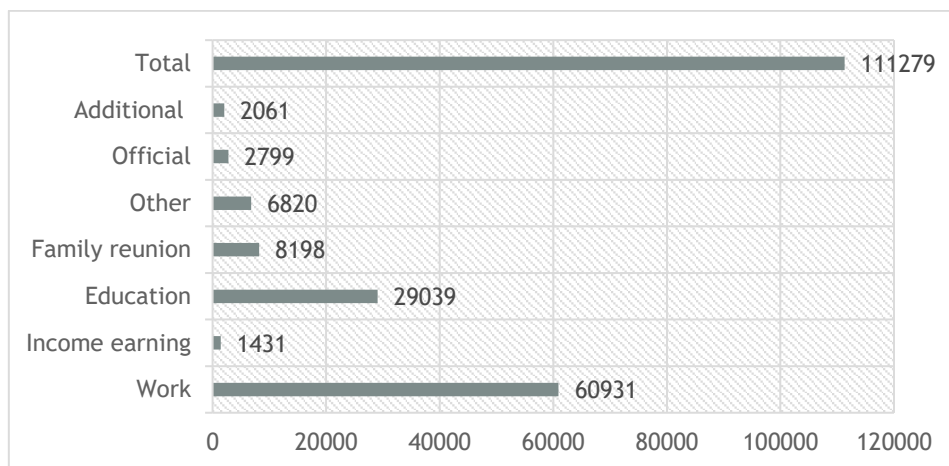


Germany: break in series and estimate; Romania: estimate; Poland: provisional and estimate; and Portugal: estimate.
 Source: Eurostat (online data codes: migr_imm1ctz and migr_pop1ctz)

eurostat

1. Figure: Proportion of immigrants in European countries¹

According to the statistics of Immigration and Asylum Office in 2018, 111.279 foreigner citizens lived in the country who holds a residence permit (based on the application submitted). Four-fifths of them came to Hungary intending to work or for further education.²



2. Figure: Purpose of residence (2018)

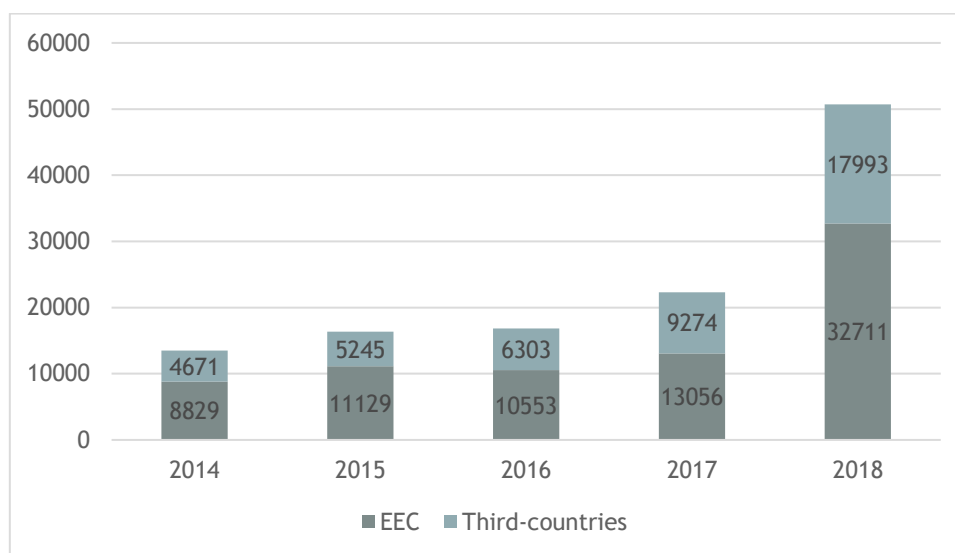
¹ https://ec.europa.eu/eurostat/statistics-explained/index.php/Migration_and_migrant_population_statistics

² Immigration and Asylum Office, <http://www.bmbah.hu/index.php?lang=en>



Based on the data of the Hungarian Central Statistical Office, the average age of immigrants living in the country is lower and the average level of education is higher than that of the Hungarian population.³ The majority of foreign nationals come from neighboring countries (e.g. Ukraine, Romania), most of them being Hungarian. Third-country nationals in Hungary are from Asia (49.056), America (6.850), Africa (6.660), and Australia and Oceania (655).

National Labor Organization’s database shows how many EU and third-country citizens have been worked in Hungary in the last period.⁴ In recent years not only the number of third-country nationals, has increased in Hungary (mainly from Ukraine), but also the number of workers from other EU countries. In this year 54 thousand foreign workers got employment opportunities in Hungary. Two-thirds of the claimants were Ukrainian, but the number of applicants from Vietnam and India also increased. Most of the employees are in manufacturing and commerce (22% and 18%), but IT-sector (13%), accommodation and catering (12%) are also significant.



3. Figure: Number of legally employed foreign workers in Hungary

We have very limited reliable information on migrant entrepreneurs and businesses, but some relevant studies provide important insights. At the time of the national census (in 2011), 10,5% of the foreign-born respondents were self-employed, compared to 7,4% of the total population (Gödri 2017). In addition to various constraints (for example, lack of language skills, different qualifications, or difficulties in finding employment), cultural and social networking factors can play a role in the creation of migrant businesses. By becoming an entrepreneur, immigrants can stabilize their economic position, respond to specific demands and, as a result, embed themselves in the (trans)national economy (Kováts 2013). Migrant businesses typically operate in the commerce, catering and other services sectors. Surveyed migrant enterprises—especially Chinese and Vietnamese—are highly concentrated around an economic activity (e.g. clothing trade, catering, health services). An important component of economic success is the relationship with the economy of the immigrant’s country of origin (Várhalmi 2013). In sum, third country enterprises in Hungary do not form separated economic cluster, on the contrary, they can be characterized by functional cooperation.

³ Kincses, Áron and Lajos Bálint (2016) Migration settlement networks in the Carpathian Basin, 2001-2011. *Regional Statistics*, 6(2): 95-113. Online article: https://mpr.aub.uni-muenchen.de/76852/1/MPRA_paper_76852.pdf

⁴ National Labor Organization, https://nfsz.munka.hu/Lapok/full_afsz_kozos_statisztika.aspx



To portray the multifaceted social environment of third-country entrepreneurs the report refers to the Migrant Integration Policy Index (MIPEX), which is a tool to measure integration policies. 167 policy indicators have been developed to create a multi-dimensional picture of migrants' opportunities to participate in society. The index is useful to evaluate and compare what governments are doing to promote the integration of migrants in all the countries analyzed.⁵

Based on the MIPEX 2015 Survey, Hungary is 23th out of 38 countries, since the overall score of integration policies is 45/100, which means integration policies are halfway favorable. Promoting immigrant integration has not been a government priority from 2010 to 2014, moreover after the migrant crisis in 2015-16 Hungarian right-wing government's approach to immigration became stricter and more negative.⁶ In this context as MIPEX-study describes, anti-immigrant attitudes in Hungary greater and increasing more than on average in EU (e.g. around 1/3 believe in equal rights for immigrants as opposed to 2/3 on average in EU). Third-country residents have more obstacles than opportunities to participate in Hungarian society. Weakest policy areas are followings: education (rank: 35 of 38), political participation (rank: 27 of 38), access to nationality (rank: 31 of 38), labor market mobility (rank: 31 of 38), health (rank: 25 of 38). Family reunion, permanent residence, and anti-discrimination are the most favored policy areas.⁷ According to the study, integration policy improvements should be made in almost all areas, especially needed to extend the opportunities for employment and self-employment and provide educational and language training opportunities.

⁵ <http://www.mipex.eu/download-pdf#>

⁶ <https://cens.ceu.edu/sites/cens.ceu.edu/files/attachment/event/573/szalai-goblmigrationpaper.final.pdf>

⁷ <http://www.mipex.eu/sites/default/files/downloads/pdf/files/custom/a4/2019.10.28-10.12.24-mipex-2015-custom-book-a4.pdf>



Summary table of key social indicators

		Hungary
Socio-economic indicators ⁸	Number of population	9.772.756 (January 2019)
	Number of foreign population residing	180.773 (January 2019)
	Population change	Number of foreign citizens immigrating: 49.312 (2018) Hungarian citizens international migration: 23.808 (2018)
	GDP per capita	16.484 \$ (2018)
	Gross Domestic product	161.182M.\$ (2018)
	Unemployment (% of labour force)	3,6% unemployment among 15-74 year-olds (January 2019)
Entrepreneurship indicators ⁹	Enterprises birth rates	10,8 (2016)
	Survival rates five	37,2% (2016)
	Employment share five	5,35 (2016)
	Business churn	22,84 (2017)
	Net business population growth	3,82 (2017)
Migration integration indicators ¹⁰	Employment	40 (MIPEX 2015 score)
	Education	15 (MIPEX 2015 score)
	Health	40 (MIPEX 2015 score)
	Active citizenship	23 (MIPEX 2015 score)

⁸ Hungarian Central Statistical Office, <https://www.ksh.hu/?lang=en>

⁹ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=bd_9ac_l_form_r2&lang=en

¹⁰ <http://www.mipex.eu/sites/default/files/downloads/pdf/files/custom/a4/2019.10.28-10.12.24-mipex-2015-custom-book-a4.pdf>



Specific laws and other national regulations regarding labour market and entrepreneurship, that are relevant for migrant entrepreneurs

Hungary lacks policies, laws and other regulations specifically concerning migrant entrepreneurship. Initiatives to favour self-employment for third country nationals come mainly from the private sector (NGOs, social enterprises, etc.).

Laws and national regulations regarding labour market and entrepreneurship (not specifically for migrants):

Act V of 2013	Civil Code
Act V of 2006	Act on Public Company Information, Company Registration and Winding-up Proceedings
Act I of 2012	Labour Code
Government Decree 445/2013 (XI. 28.)	Government Decree on the Authorisation of Employment of non-EU Nationals in Hungary not on the basis of single application procedure; the exemptions of such authorisation obligation; the involvement of the metropolitan and county government offices as opinion makers in single application procedures; the notification of employment of non-EU nationals' authorisation for free employment in Hungary and salary reimbursement
Act IV of 1991	Act on Job Assistance and Unemployment Benefits
Act CXXV of 2003	Act on Equal Treatment and Promotion of Equal Opportunities (Equal Treatment Act)
Act XV of 2014	Act on Trustees
Act XCIII of 1993	Act on Labour Safety
Decree 5/1993 (XII. 26.)	Labour Ministry Decree on implementing Act XCIII of 1993
Act LXXXI of 1996	Corporate Income Tax Act
Act CLV	Act on Vocational Training Contributions and Support for the Development of Training Programs
Act LXXX of 1997	Act on the Eligibility for Social Security Benefits and Private Pensions and the Funding for These Services
Act LXXXI of 1997	Act on Social Security Pension Benefits
Act LXXXIII of 1997	Act on the Services of the Compulsory Health Insurance System
Act CXVII of 1995	Act on Personal Income Tax
Act LXXV of 2010	Act on Simplified employment and occasional work relationships
Act II of 2007	Act on the Admission and Right of Residence of Third-Country Nationals
Decree 114/2007. (V. 24.)	Government Decree on the implementation of Act II of 2007, on the admission and right of residence of third-country nationals



Summary of the content of these documents relevant for migrant entrepreneurship and self-employment

The legal system in Hungary is based on civil law, the main rules governing businesses are codified in statutes and regulations. Some important laws applicable to business associations, including migrant enterprises: Civil Code, Company Procedures Act and Labour Code. There is not any laws or national regulations specific to third country nationals' entrepreneurship.

Civil Code: the general regulation of Hungarian economic associations is included in Book 3 of the Civil Code (effective from 15 March 2014). The Civil Code replaced the former separate Act on Business Associations, Act VI of 2006 (the Company Act), and contains the entire general system of rules of common law relationships. Main contents:

- General principles of civil law
- Regulation applicable to natural persons
- Regulation of legal persons, including the detailed rules of business associations
- Family law
- Substantive law and property registration
- Contract law, types of contracts and liability for damages
- Inheritance

The main types of business associations are identical to those regulated in EU countries. Legal persons include associations, business associations and foundations.

The Civil Code applies so-called dispositive regulation (it allows for deviations).

Company Procedures Act

The procedures on founding, implementing changes in data and winding up of Hungarian associations are primarily governed by the Company Procedures Act (Act V of 2006 on Public Company Information, company Registration and Winding-up Proceedings).

Labour code

The rules of labour law are regulated in Labour Code (Act I of 2012), certain provisions of the Civil Code (as underlying law) also apply. Regulated topics:

- The content of an employment relationship
- The establishment of an employment relationship (employment contracts)
- Work schedule; wages; holidays; liability
- Non-standard rules (e.g. protecting the youth)
- Termination of the employment relationship; labour relations.



Employment of foreigners from third countries

The employment of third country nationals is subject to the appropriate permit and authorisation. Those third country nationals can engage in gainful employment that hold:

- Seasonal employment visa
- Residence permit granted on humanitarian grounds
- Residence permit for the purpose of gainful employment, family reunification or in order to pursue research or studies, researchers with a long-term or student mobility residence permit, and researchers with a short-term mobility certificate or student mobility certificate
- EU Blue Card, or
- Residence permit for intra-company secondment.

Third country nationals can only begin their employment in Hungary after they have obtained all permits and documents necessary for their employment.

Act XXXIX of 2001 has established the Office of Immigration and Nationality (OIN), which is called now Immigration and Asylum Office (IAO). This is the only competent authority dealing with administrative duties related to visa, residence permits, asylum, and citizenship. The IAO had cooperation agreements with NGOs, which was later terminated (2017).

Amendment of a ministerial decree aims to help industries with labour force challenges (2017). According to this announcement, non-EU nationals from neighboring countries do not need a work permit for certain jobs in Hungary. Due to this amendment, Serbian and Ukrainian citizens can be employed without a work permit in the following sectors: ICT, engineering, healthcare, construction, hospitality, manufacturing, blue collar sector, etc. Ukrainian citizens with a biometric passport can travel to Hungary without a visa for business or private purposes, and can stay in Hungary up to 90 days in a single period of 180 days since June 2017. Serbian citizens can travel without a visa since 2009.

International agreements (multi-lateral and bilateral agreements) relevant for migrant entrepreneurship

There is not any international agreement, multi-lateral and bilateral agreements relevant specifically for migrant entrepreneurship. Some agreements exist with third countries (e.g. social security and social policy agreement), but none of them is focusing on this topic.

E.g. third countries with which Hungary has a Social Security or Social Policy Agreement in place:

Albania (candidate country)	Mongolia
Australia	Montenegro (candidate country)
Bosnia-Herzegovina (potential candidate country)	Quebec
India	Serbia (candidate country)
Japan	Turkey (candidate country)
Canada	USA
Republic of Korea	Kosovo (potential candidate country)
Moldova	Russia
	Ukraine



Other policy papers and strategies regarding migrant entrepreneurship

The Minister of Interior is responsible for policy making in the field of immigration. The Minister of Interior works in cooperation with other ministries in charge of relevant issues (Minister for National Economy: work permit issuance; Minister of Human Resources: education of migrant children; Minister of Foreign Affairs: co-elaboration of migration policy).

National strategy: The Migration Strategy and the seven-year strategic document related to Asylum and Migration Fund established by the European Union for the years 2014-20

“The Migration Strategy lays down the action trail and the tools for achieving the goals in the field of admission, residence, integration, international protection and return policies and in a comprehensive manner. Moreover the Strategy makes it possible to use the benefits of migration for the national economy, demography and society by defining the concrete tasks and actions stemming from the positive and negative effect of migration for the years 2014-20. It clearly envisages the potential societal, social and budgetary effects of migration, emphasises the requirement of fair treatment and the human rights dimension of migration, and provides firm responses to the risks of national security, public order and public policy related to illegal migration. Furthermore the Strategy highlights the foreigner’s obligation of the foreigners to respect the European Union norms, the Fundamental Law and the laws and regulations of Hungary and the rules of social coexistence.”

Excerpt from objectives regarding to migrant entrepreneurship:

Objective: Facilitate migrants’ entry to the labour market through training, re-training and benefits offered to employers

Proposed activities:

- Developing and operating appropriate mechanisms to recognise migrants’ qualifications that were obtained outside the EU
- Examination of the effect of migration of third-country national on employment
- Introducing proactive labour-market tools in order to promote the integration of beneficiaries of international protection into the labour market
- Creating special tools to increase the rate of employment of vulnerable groups
- Providing migrant-specific training to the staff of employment services and agencies
- Review regularly the regulated professions in order to facilitate entry of migrants to the labour market
- Creating and operating programmes that support migrant entrepreneurship.

The United Nations High Commissioner for Refugees (UNHCR) gave feedback on the Migration Strategy for 2014-2020 expressed concerns using defensive communication and policy plan rather than a proactive one (UNHCR, 2013).



Specific support programs for immigrants' companies

The JOVOKEREK Foundation offers a wide range of activities like group and individual job search consultation and techniques, skills development, resume and cover letter writing, interview preparation, promoting job retention and conflict management skills.

MIGRANT ENTREPRENEURS IN V4 COUNTRIES. The main objective of the project was to promote migrant entrepreneurship in V4 countries by showing successful founders and examples of successful entrepreneurs in V4 regional dimension. Project is aiming to provide a platform to exchange innovative ideas and business models of micro enterprises created by foreign entrepreneurs in V4 countries. Participants: Foundation Our Choice, Subjective Values Foundation (Hungary), The Human Rights League (Slovakia), Agency for Migration and Adaptation AMIGA, z.s. (Czech Republic)

ENTREPRENEURS BUDAPEST. The Entrepreneurs Budapest educational and mentoring program provides support for talented and creative young foreigners living in Hungary to implement their entrepreneurial plans. The Subjective Values Foundation organized the Entrepreneurs Budapest project (Entrepreneurs Budapest) for the 3rd time (2016-2017).

EU MENTOR STEM - EMPOWERING MIGRANT WOMEN THROUGH MENTORING. Virtual hub assists migrant women with STEM-studies and/or job experience to develop transversal skills and competences in order to fulfill their potential in European labor markets, while, at the same time, supports career advisors/educators in helping migrant women to develop their skills, competences and attitudes to succeed in a STEM-job in Europe. Consortium: alma Mater Studiorum (Italy), EDEM (Greece), Óbudai University (Hungary), INOVA (United Kingdom), WiTEC (Sweden).

HUNGARY ENTREPRENEUR RESIDENCE PROGRAM (HER). The Hungarian State offers a business immigration program to entrepreneurs and investors to move to Hungary. The total minimum investment needed is EUR 100,000. Main requirements:

- locally registered, fully compliant company with bank account and accountancy
- at least one short visit to Hungary (for opening a company bank account)
- business plan and actual trading activity (in Hungary or internationally)
- rented or purchased accommodation
- full travel insurance or (after residency is acquired) local state health insurance
- verifiable income from the business and/or from other sources
- no-criminal-record certificate issued by your local authority (or police)

Although the HER intends to support third country nationals, due to its investment need, this opportunity is out of the project scope.



SWOT ANALYSIS of the legal and broader social contexts of migrant entrepreneurship

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ⇒ specific niche markets ⇒ international contacts, strong networks and connections within their ethnic group ⇒ regular: support from the family ⇒ flexible personality, openness ⇒ proactive approach to entrepreneurship 	<ul style="list-style-type: none"> ⇒ niche markets are narrow (hard to scale-up the business from their ethnic market) ⇒ weak language skills / language barriers in offices (Hungarian) ⇒ no experience of working as an entrepreneur ⇒ lack of business knowledge (business and financial planning, marketing, organizational development) ⇒ cultural differences (religion, habits), difficulty in achieving culture shift ⇒ sometimes illegal start-up process
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ⇒ opportunity to reach new markets - unique products and services ⇒ based on the stakeholder event: opportunity for building and facilitating a network ⇒ accessing new online support tools (i.e. intercultural hub) ⇒ opportunity for finding a business partner ⇒ the market is receptive to new products and services ⇒ opportunity for expanding cross-cultural networking skills ⇒ offering new products/services to the European market ⇒ being visible to the market, then increasing availability of capital ⇒ increasing civil and NGO support (from social enterprises / EU funds) ⇒ cross-cultural experience regularly leads to new ideas 	<ul style="list-style-type: none"> ⇒ high burden of bureaucracy ⇒ difficulties in recruiting employees ⇒ high risk of being a self-employment entrepreneur (involvement of a partner can mitigate the risk) ⇒ lack of funding opportunities, limited access to external funding sources and bank loans ⇒ lack of professional support (i.e. business hubs, accelerators, supported counselling opportunities) ⇒ the situation of the home country has a strong impact on their business ⇒ increasing competition ⇒ rapid changes to legislation ⇒ political situation ⇒ not favorable taxation system



3. SURVEY ANALYSIS

The survey was conducted between July and September 2019 by West Pannon Regional and Economic Development Non-profit Ltd (WPRED). In compiling the national sample, on the one hand, pre-interested applicants were asked to complete a questionnaire, on the other hand, mediators (e.g. business development companies, NGO-s that support immigrants) were asked to help to reach targeted subjects. The respondents are migrant entrepreneurs—third-country nationals, i.e. person that holds working permit or permit for residence for foreigners and owns a business.

Some of the respondents directly filled out the questionnaire online, while others completed in the course of personal interview. The number of total valid questioners is 33, one of which is partially completed. Most respondents run their own companies (16 persons), the second-largest is the group of self-employed (13 persons), other respondents are employees (but they want to start their own business shortly), or their status is unknown (Figure 4).

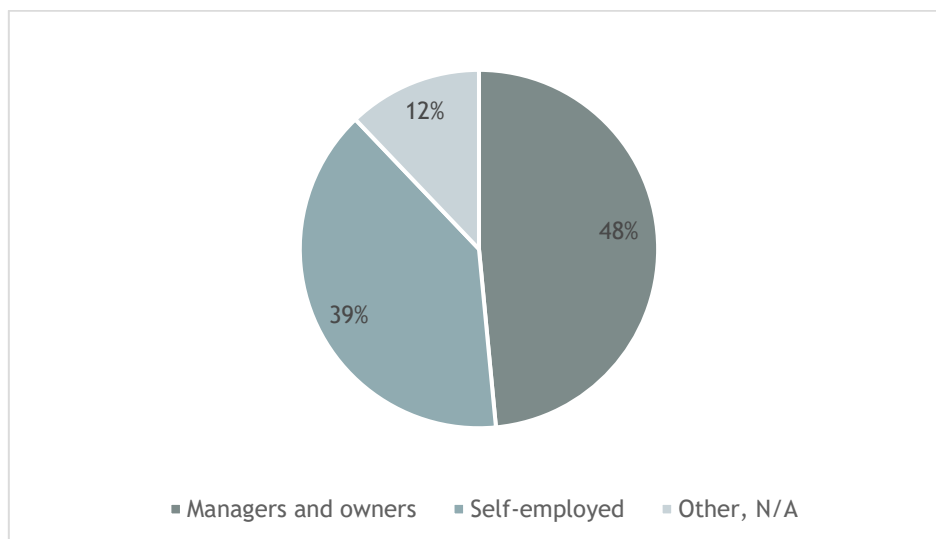


Figure 4: Q1 - Respondent's role in the company/organization (n=33)

Our respondents come from very different geographical areas: *Africa* (27%): Cameroon, Egypt, Ghana, Nigeria, South African Republic; *Asia* (21%): China, India, Pakistan, Philippines, Vietnam; *Europe* (15%): Albania, Serbia, Russia; *Middle East* (15%): Iran, Lebanon, Syria, Turkey; *Latin-America* (9%): Brazil, Ecuador, Mexico (Figure 5).

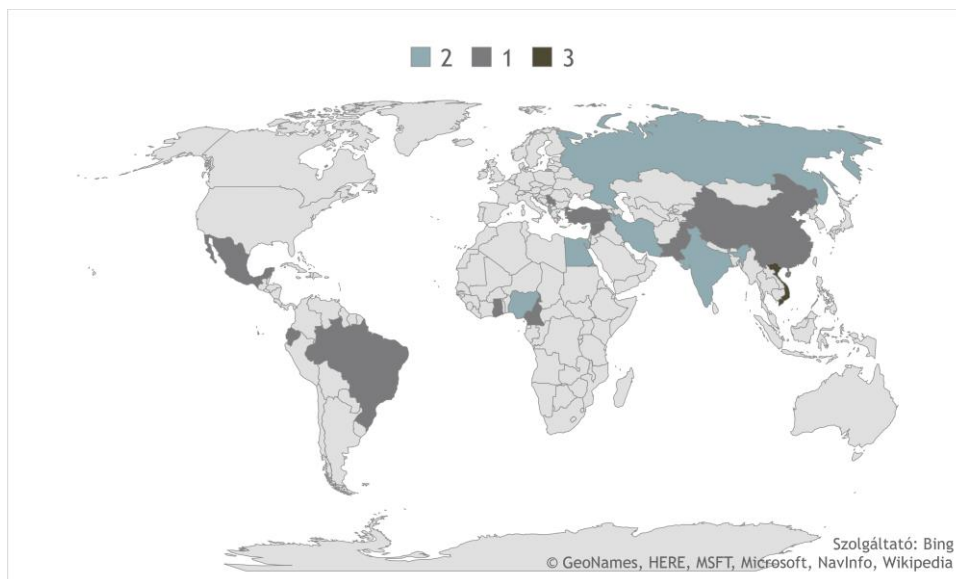


Figure 5: Q2 - Respondents' country of origin (n=31)

Country of origin	Frequency	Percent
Albania	2	6%
Brazil	1	3%
China	1	3%
Ecuador	1	3%
Egypt	2	6%
Ghana	1	3%
India	2	6%
Iran	2	6%
Kamerun	1	3%
Lebanon	1	3%
Mexico	1	3%
Nigeria	2	6%
Pakistan	1	3%
Philippines	2	6%
Russia	2	6%
Serbia	1	3%
South African Republic	3	9%
Syria	1	3%
Turkey	1	3%
Vietnam	3	9%
Unknown	2	6%
Total	33	100%



3.1. Mapping immigrant enterprises

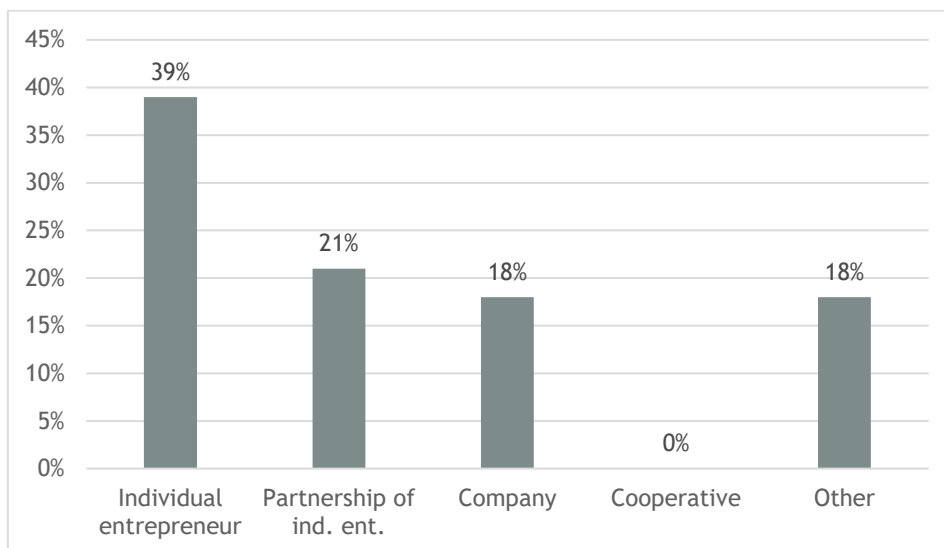


Figure 6: Q3 - Legal form of the company (n=32)

Legal form	Frequency	Percent
individual entrepreneur	13	39%
partnership of individual entrepreneurs	7	21%
company	6	18%
cooperative	0	0%
other	6	18%
unknown	1	3%
Total	33	100%

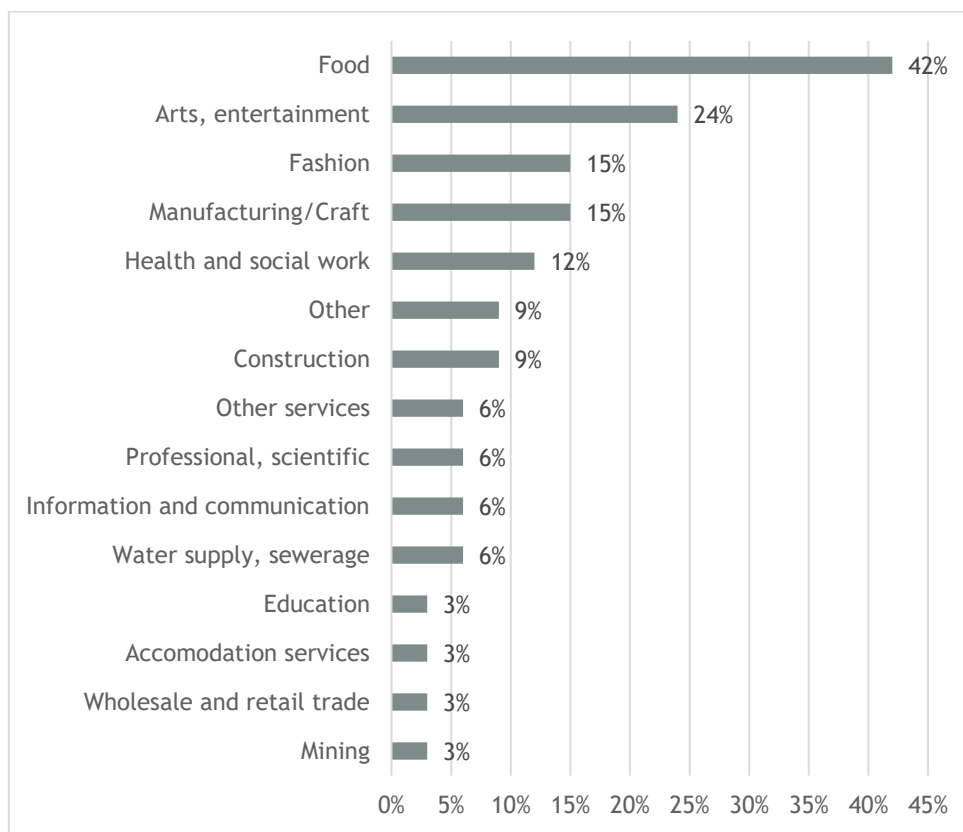


Figure 7: Q4 - Sectors of operation (n=33)

Sector	Frequency	Percent
Food	14	42%
Arts, entertainment	8	24%
Manufacturing/Craft	5	15%
Fashion	5	15%
Health and social work	4	12%
Construction	3	9%
Other	3	9%
Water supply, sewerage	2	6%
Information and communication	2	6%
Professional, scientific	2	6%
Other services	2	6%
Mining	1	3%
Wholesale and retail trade	1	3%
Accommodation services	1	3%
Education	1	3%
Total	33	100%

Other: software development, interior design, catering.

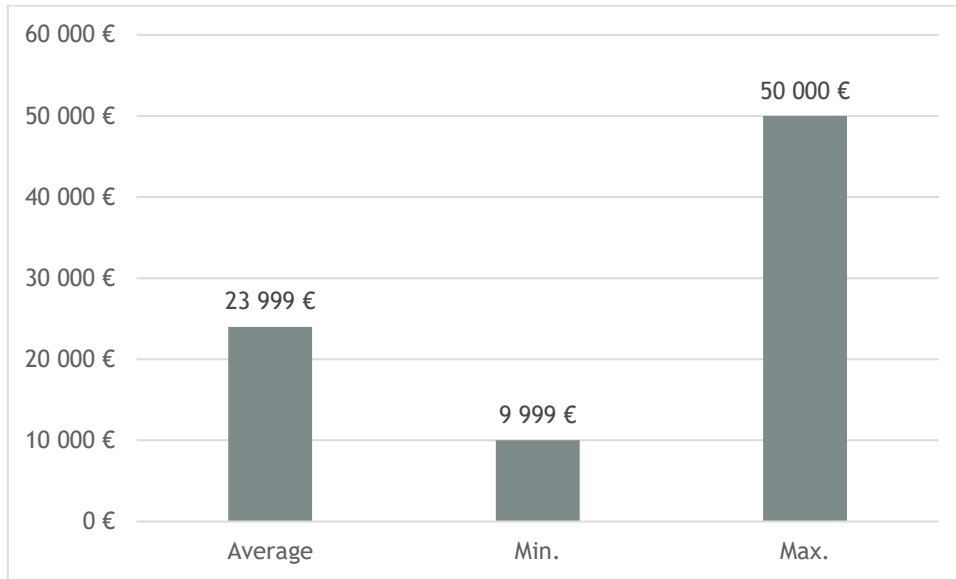


Figure 8: Annual turnover in 2018, in EUR, approximately (n=5)

Turnover distribution	Frequency	Percent
<10.000 EUR	1	3%
10.000-50.000 EUR	3	9%
50.000 EUR	1	3%
N/A	28	85%
Total	15	100%

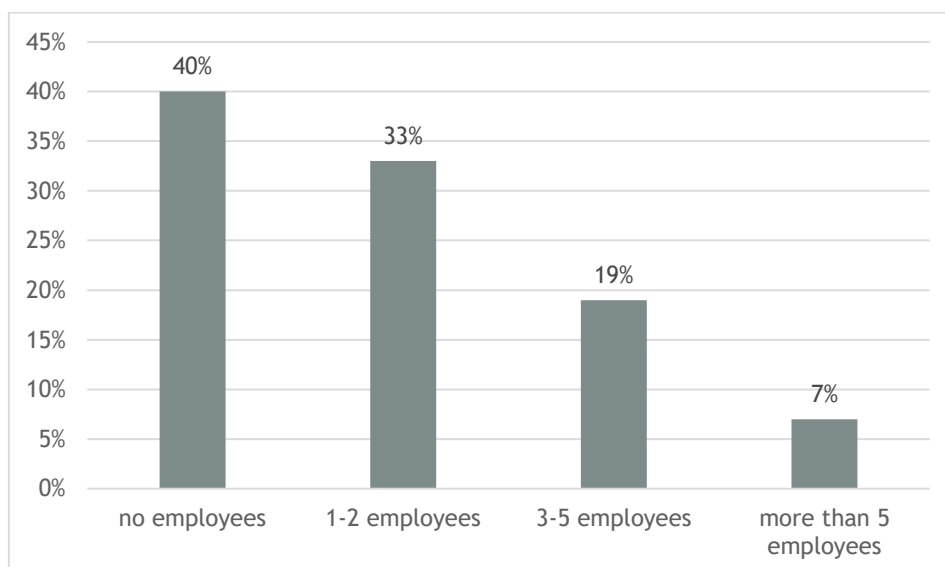


Figure 9: Q6a - Total number of employees (n=27)

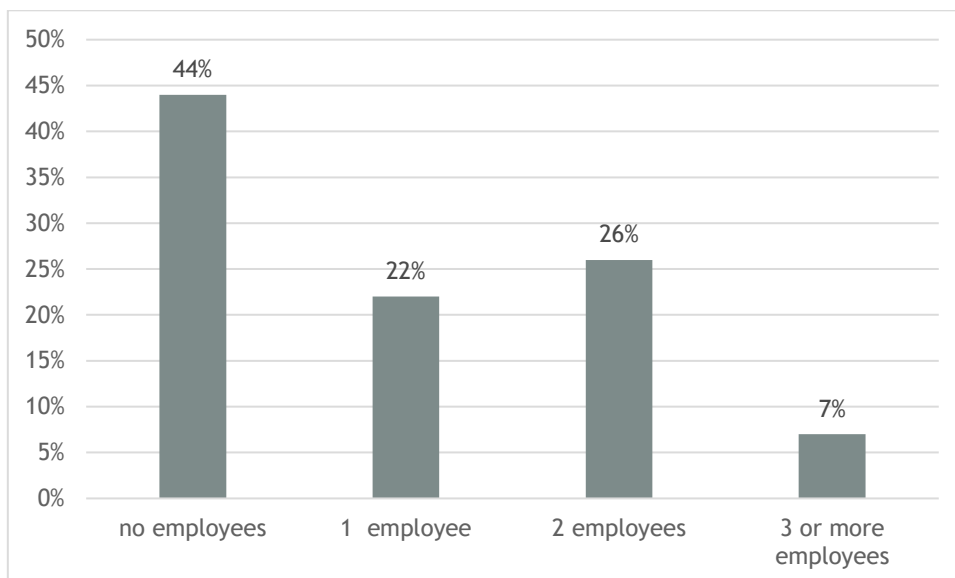


Figure 10: Q6b - Number of immigrant employees (n=27)

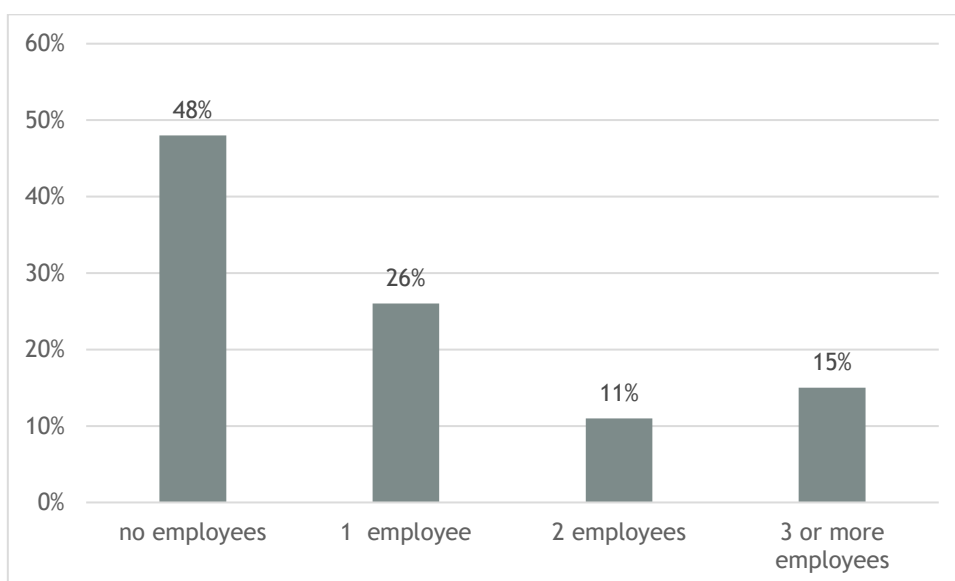


Figure 11: Q6c - Number of employees who are of the same ethnic group as the owner (n=27)

Employees	Average	Minimum	Maximum
Total number of employees	2,3	0	21
Number of employees that are first- or second-generation migrants	1,0	0	4
Number of employees who are of the same ethnic group as the entrepreneur/company owner	1,0	0	5



3.2. Market related advantages and shortages linked to managerial, technological and other skills

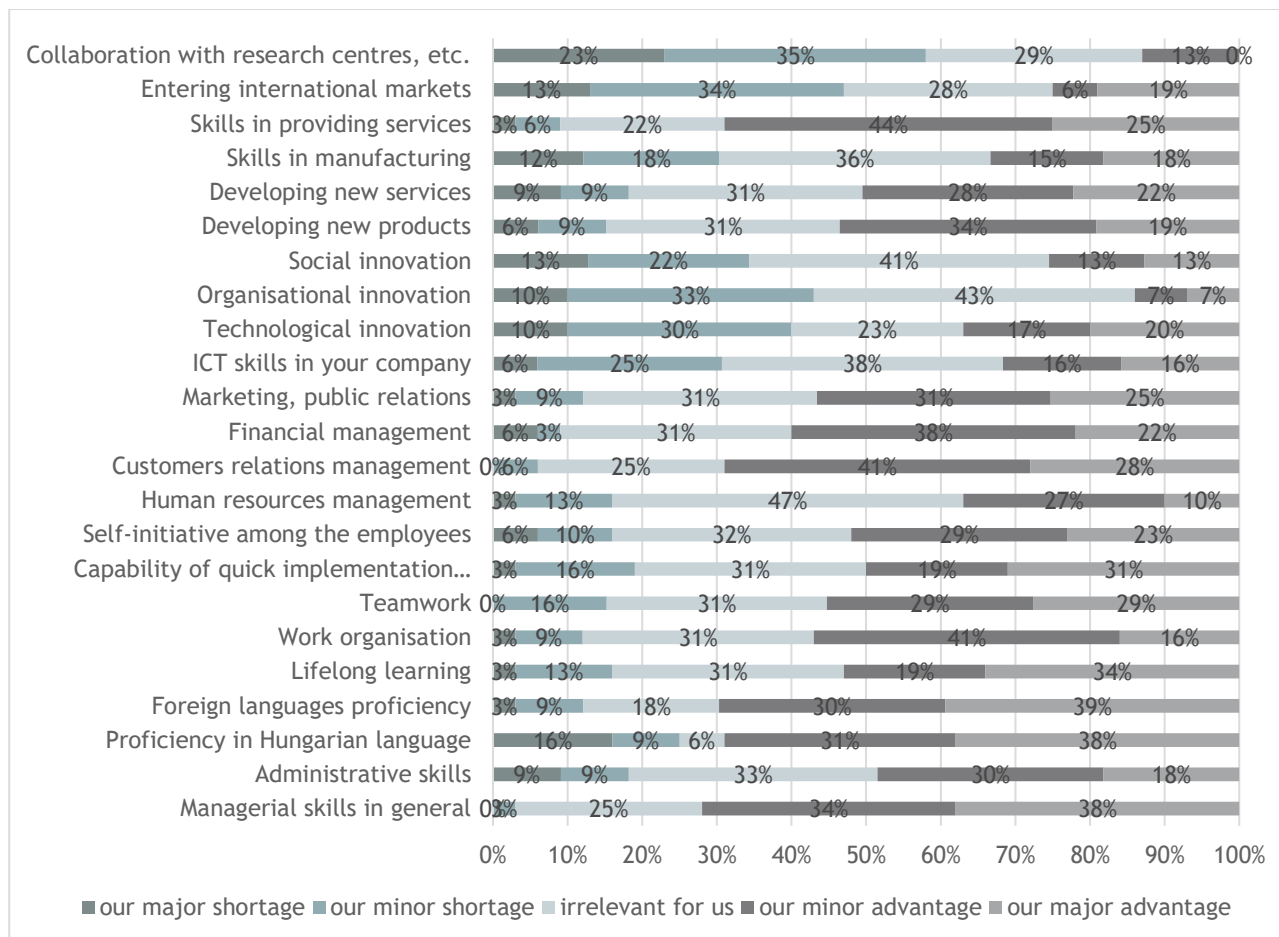


Figure 12: Q7a - Advantages and shortages: skills and management (n=33)

Managerial, technological and other skills	our major shortage	our minor shortage	irrelevant for us	our minor advantage	our major advantage
Managerial skills in general	0	1	8	11	12
	0%	3%	25%	34%	38%
Administrative skills	3	3	11	10	6
	9%	9%	33%	30%	18%
Proficiency in Hungarian language	5	3	2	10	12
	16%	9%	6%	31%	38%
Foreign languages proficiency	1	3	6	10	13
	3%	9%	18%	30%	39%
Lifelong learning	1	4	10	6	11
	3%	13%	31%	19%	34%



Work organisation	1	3	10	13	5
	3%	9%	31%	41%	16%
Teamwork	0	5	8	9	9
	0%	16%	31%	29%	29%
Capability of quick implementation of changes	1	5	10	6	10
	3%	16%	31%	19%	31%
Self-initiative among the employees	2	3	10	9	7
	6%	10%	32%	29%	23%
Human resources management	1	4	14	8	3
	3%	13%	47%	27%	10%
Customers relations management	0	2	8	13	9
	0%	6%	25%	41%	28%
Financial management	2	1	10	12	7
	6%	3%	31%	38%	22%
Marketing, public relations	1	3	10	10	8
	3%	9%	31%	31%	25%
ICT skills in your company	2	8	12	5	5
	6%	25%	38%	16%	16%
Technological innovation	3	9	7	5	6
	10%	30%	23%	17%	20%
Organisational innovation	3	10	13	2	2
	10%	33%	43%	7%	7%
Social innovation	4	7	13	4	4
	13%	22%	41%	13%	13%
Developing new products	2	3	10	11	6
	6%	9%	31%	34%	19%
Developing new services	3	3	10	9	7
	9%	9%	31%	28%	22%
Skills in manufacturing	4	6	12	5	6
	12%	18%	36%	15%	18%
Skills in providing services	1	2	7	14	8
	3%	6%	22%	44%	25%
Entering international markets	4	11	9	2	6
	13%	34%	28%	6%	19%
Collaboration with research centres, universities, etc.	7	11	9	4	0
	23%	35%	29%	13%	0%



Disadvantage (average <3.0)	Neutral (average 3.0-3.5)	Advantage (average >3.5)
Organisational innovation	Administrative skills	Managerial skills in general
Social innovation	Human resources management	Proficiency in Hungarian language
Entering international markets	ICT skills in your company	Foreign languages proficiency
Collaboration with research centres, universities, institutes, etc.	Technological innovation	Lifelong learning
	Developing new services	Work organisation
	Skills in manufacturing	Teamwork
	Other	Capability of quick implementation of changes
		Self-initiative among the employees
		Customers relations management
		Financial management
		Marketing, public relations
		Developing new products
		Skills in providing services

Table 1: Key market related advantages and disadvantages of surveyed migrant entrepreneurs

3.3. Migrants' ability to access local business network and to integrate

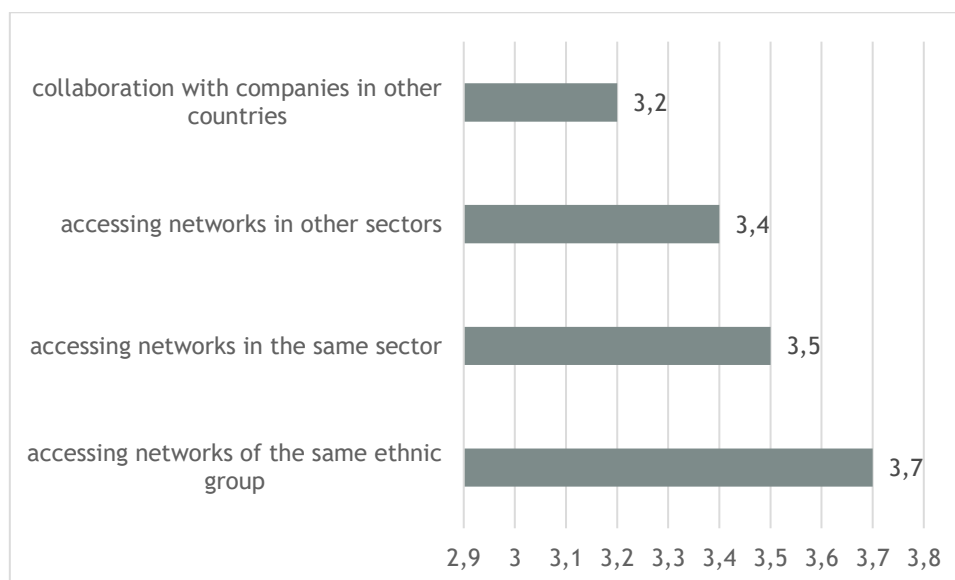


Figure 13: Q7b - Advantages and shortages: networks (averages, n=33)



Access to business networks	our major shortage	our minor shortage	irrelevant for us	our minor advantage	our major advantage
Accessing business networks of people of the same ethnic origins as yours	3	1	12	3	14
	9%	3%	36%	9%	42%
Accessing other local business networks in the same sector (i.e. not of the same ethnic origins as yours)	5	2	6	9	10
	16%	6%	19%	28%	31%
Accessing other local business networks in other sectors (i.e. not of the same ethnic origins as yours)	5	6	6	10	6
	15%	18%	18%	30%	18%
Collaboration with companies in other countries	6	1	6	13	7
	18%	3%	18%	39%	21%

3.4. Migrants' familiarity with the functioning of the local labour market and the local business regulatory framework

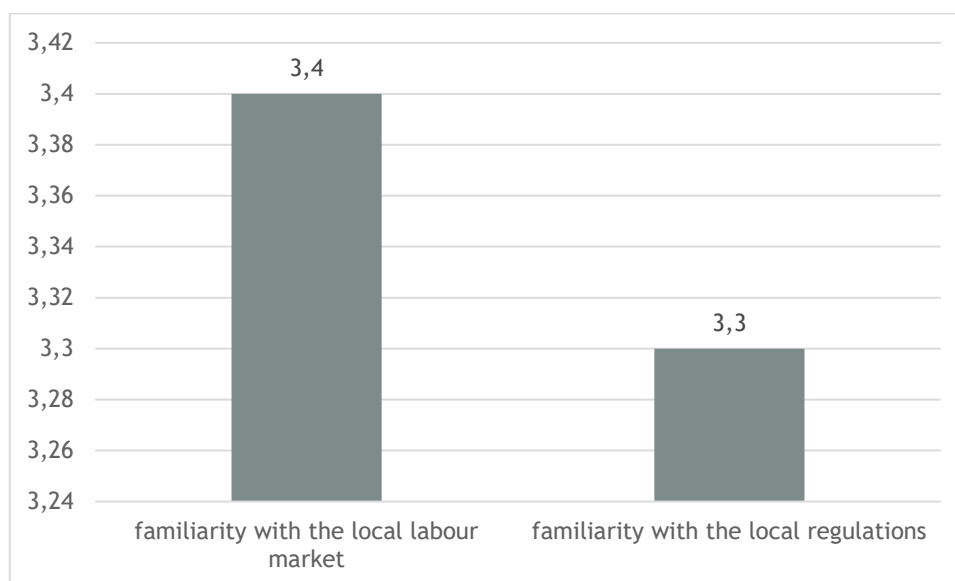


Figure 14: Q7c - Advantages and shortages: local labour market and regulations (averages, n=33)



	our major shortage	our minor shortage	irrelevant for us	our minor advantage	our major advantage
familiarity with the local labour market	4 13%	3 9%	10 31%	8 25%	7 22%
familiarity with the local regulations	6 18%	3 9%	8 24%	5 15%	11 33%

3.5. Migrants' access to starting capital and business facilities

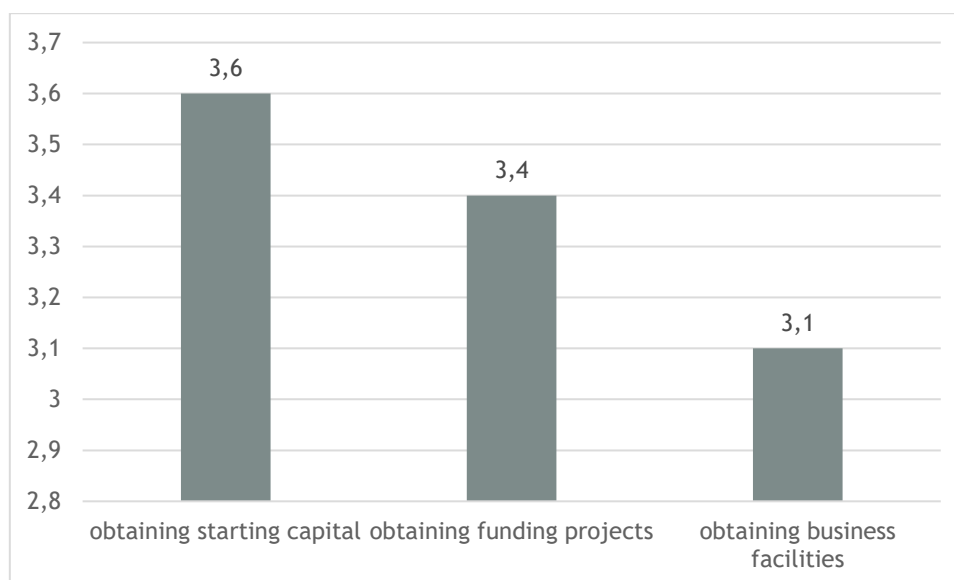


Figure 15: Q7d - Advantages and shortages: capital, funding, business facilities (averages, n=32)

	our major shortage	our minor shortage	irrelevant for us	our minor advantage	our major advantage
Obtaining starting capital for new investments	6 19%	1 3%	6 19%	5 16%	14 44%
Obtaining funding in local, national or EU funded projects	8 25%	1 3%	9 28%	7 22%	7 22%
Obtaining business facilities	4 13%	3 10%	9 30%	6 20%	8 27%

3.6. Supporting business networks

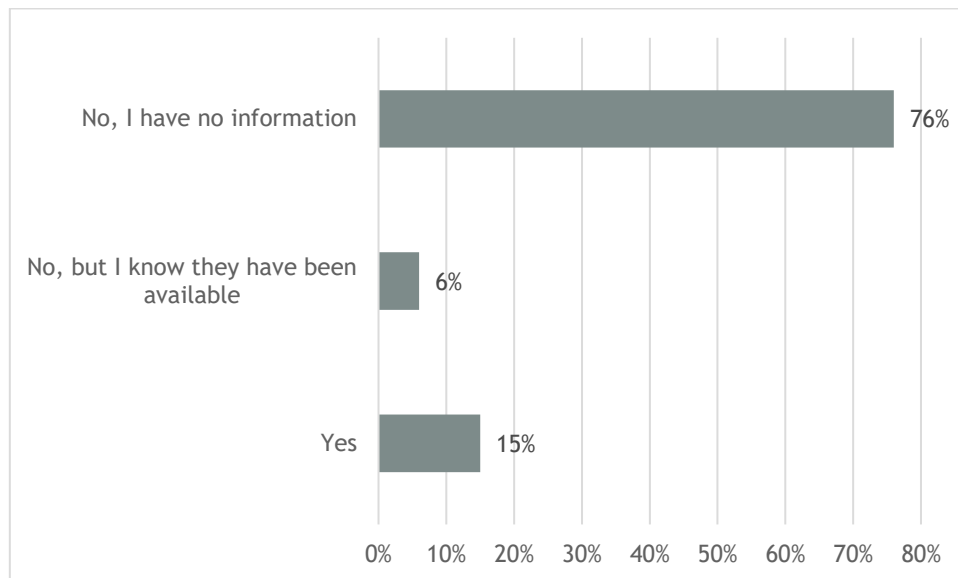


Figure 16: Q8 - Benefits from any supporting business networks available for migrant entrepreneurs (n=33)

Support from business networks for migrant entrepreneurs	Frequencies	Percent
Yes	5	15%
No, though they have been available	2	6%
No, I have no information about such support	25	76%
N/A	1	3%
Total	33	100%



3.7. Overview of the training needs

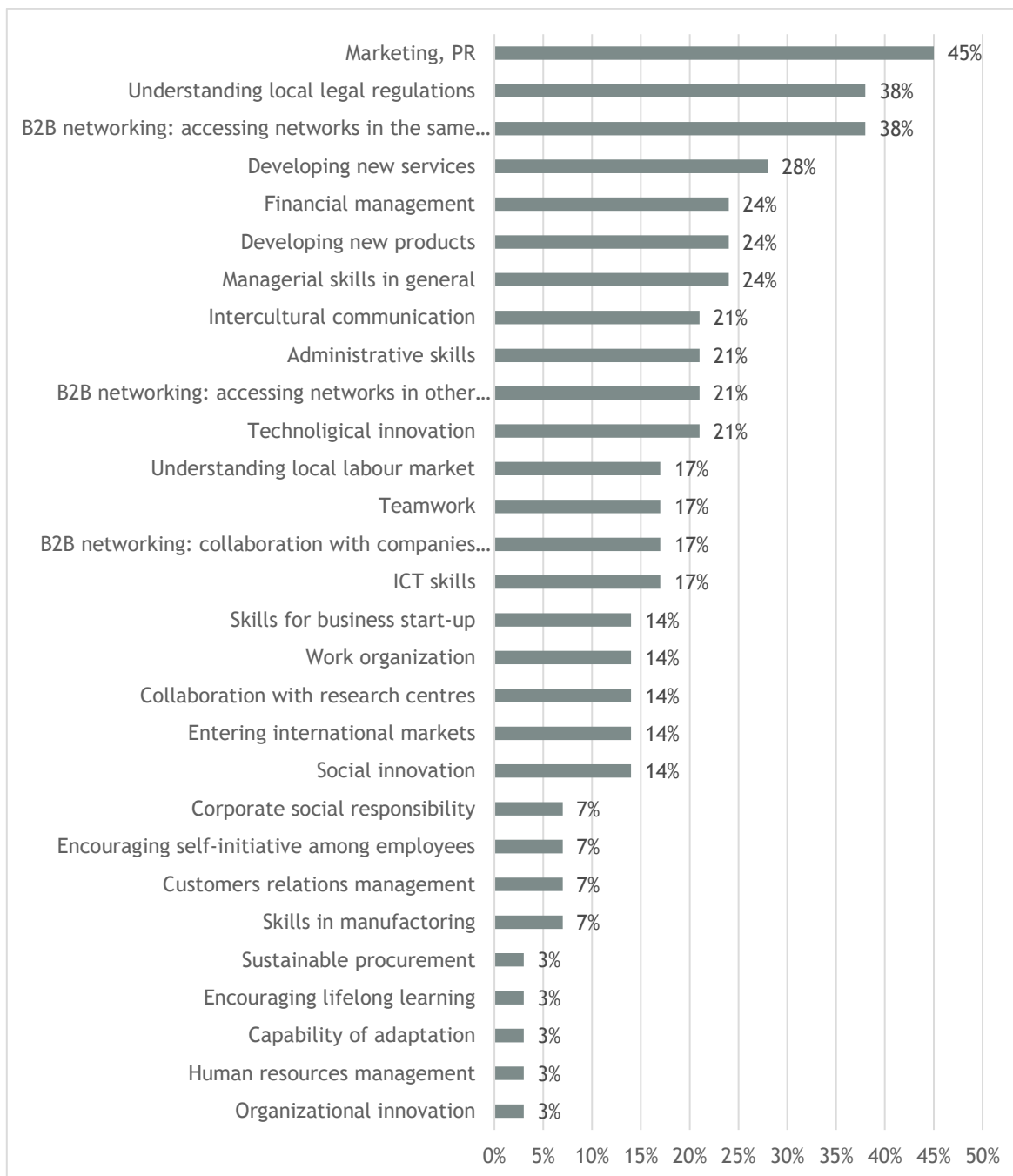


Figure 17: Q9 - In which fields would you need additional training? (n=29)



Field of training	Percent
Marketing, public relations	45%
Understanding the local business regulatory framework and other legal regulations	38%
B2B networking: Accessing local business network in the same sector	38%
Developing new services	28%
Financial management	24%
Developing new products	24%
Managerial skills in general	24%
Intercultural communication	21%
Administrative skills	21%
B2B networking: Accessing local business network in other sectors	21%
Technological innovation	21%
Understanding the local labour market	17%
Teamwork	17%
B2B networking: Collaboration with companies in other countries	17%
ICT skills	17%
Skills for business start-up (acquisition of funds, market analysis, etc.)	14%
Work organisation	14%
Collaboration with research centres, universities, institutes, etc.	14%
Entering international markets	14%
Social innovation	14%
Corporate Social Responsibility	7%
Encouraging self-initiative among the employees	7%
Customers relations management	7%
Skills in manufacturing	7%
Sustainable procurement	3%
Organisational innovation	3%
Human resources management	3%
Encouraging lifelong learning	3%
Capability of quick implementation of changes	3%
Sustainability Management (EMAS/ DIN ISO 14001)	0%
Quality Management (DIN ISO 9001)	0%
Skills in providing services	0%
Total	100%



3.8. Recognising the managerial models and practices in relevant sectors

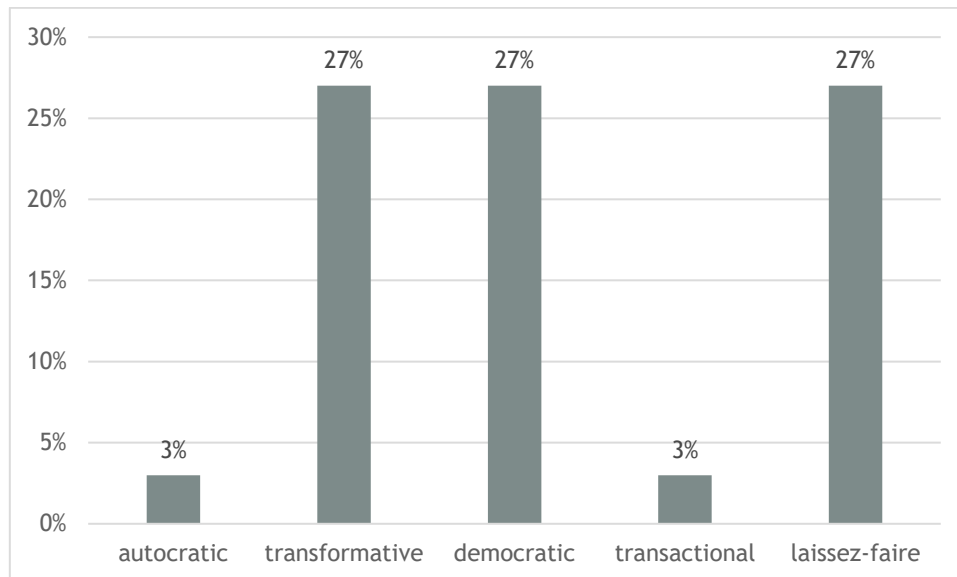


Figure 18: Q10 - Managerial models (n=29)

Management style	Frequency	Percent
Transactional: the organisation is focused on reaching its goals, nothing else matters	1	3%
Laissez-Faire: people are mostly managed by themselves	9	27%
Transformative: we are inspired by our central goals but not caring much about the details	9	27%
Autocratic: employees need to obey, they are analysed, evaluated and controlled	1	3%
Participative: the employee's initiatives are of primarily importance	9	27%
N/A	4	12%
Total	29	100%



Crosstabulation of managerial styles (Q10) with different sectors of operation (Q4).

	autocratic (1)	transformative (2)	democratic (3)	transactional (4)	Laissez-Faire (5)	Total
Mining and quarrying (14)	0	0	1	0	0	1
	0,00%	0,00%	100,00%	0,00%	0,00%	100,00%
Manufacturing/Crafts (15)	0	1	0	0	4	5
	0,00%	20,00%	0,00%	0,00%	80,00%	100,00%
Water supply, sewerage, etc. (17)	0	0	2	0	0	2
	0,00%	0,00%	100,00%	0,00%	0,00%	100,00%
Construction (18)	0	0	3	0	0	3
	0,00%	0,00%	100,00%	0,00%	0,00%	100,00%
Wholesale and retail trade (19)	0	0	0	1	0	1
	0,00%	0,00%	0,00%	100,00%	0,00%	100,00%
Food (23)	1	4	4	0	4	13
	7,69%	30,77%	30,77%	0,00%	30,77%	100,00%
Fashion (24)	0	2	0	0	2	4
	0,00%	50,00%	0,00%	0,00%	50,00%	100,00%
Information and communication (25)	0	2	0	0	0	2
	0,00%	100,00%	0,00%	0,00%	0,00%	100,00%
Professional, scientific and tech. (28)	0	1	0	0	1	2
	0,00%	50,00%	0,00%	0,00%	50,00%	100,00%
Education (31)	0	1	0	0	0	1
	0,00%	100,00%	0,00%	0,00%	0,00%	100,00%
Health and social work (32)	0	0	2	0	1	3
	0,00%	0,00%	66,67%	0,00%	33,33%	100,00%
Arts, entertainment (33)	0	3	1	0	3	7
	0,00%	42,86%	14,29%	0,00%	42,86%	100,00%
Other service activities (34)	0	1	1	0	0	2
	0,00%	50,00%	50,00%	0,00%	0,00%	100,00%
Other (36)	0	1	1	0	0	2
	0,00%	50,00%	50,00%	0,00%	0,00%	100,00%



Total	1	16	15	1	15	48
	2,08%	33,33%	31,25%	2,08%	31,25%	100,00%

3.9. Existing and potential markets for the products and services provided by migrant entrepreneurs

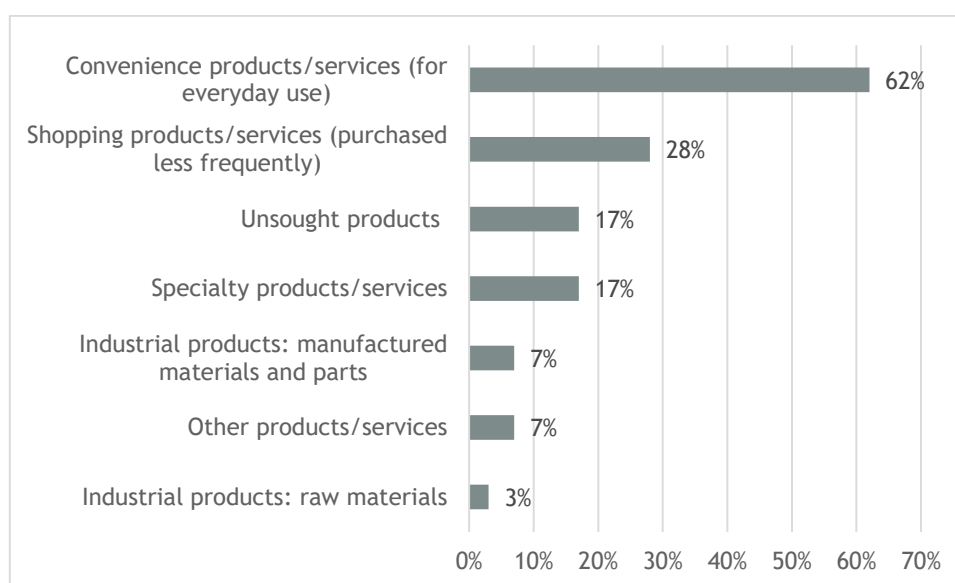


Figure 19: Q11 - What kinds of products/services are you providing in the market? (n=29)

Existing products and services	Percent
Consumers' convenience products/services for everyday use that are purchased immediately & frequently with little efforts (e.g. food, soap, hairdressing...)	62%
Consumers' shopping products/services purchased less frequently & careful comparison is made by the customer on the price, quality, sustainability & style (e.g. clothing, furniture, hotel services, appliances, used cars...)	28%
Consumers' specialty products/services that have brand identification or unique characteristics and an important group of customers are happy to purchase these products (e.g. designer clothes, expensive appliances, cars, high quality brands...)	17%
Consumers' unsought products that are typically not known to the consumers because they are so new or because of their special nature (consumers only become aware of them through advertising)	17%
Industrial products: Manufactured materials and parts	7%
Other	7%
Industrial products: Raw materials	3%
Total	100%

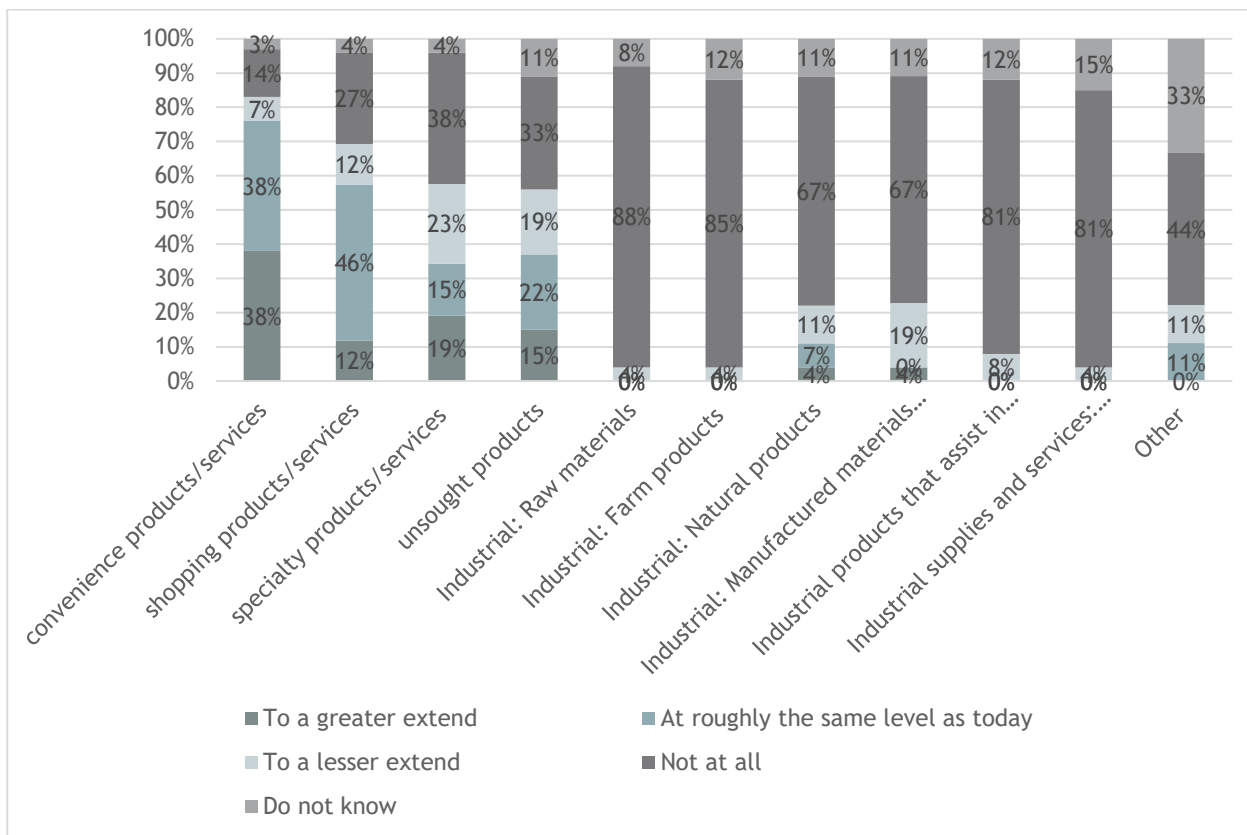


Figure 20: Q12 - What kinds of products/services would you like to provide in the future? (n=27)

Potential products/services	To a greater extend	At roughly the same level as today	To a lesser extend	Not at all	Do not know
Consumers' convenience products/services	38%	38%	7%	14%	3%
Consumers' shopping products/services	12%	46%	12%	27%	4%
Consumers' specialty products/services	19%	15%	23%	38%	4%
Consumers' unsought products	15%	22%	19%	33%	11%
Industrial products: Raw materials	0%	0%	4%	88%	8%
Industrial products: Farm products	0%	0%	4%	85%	12%
Industrial products: Natural products	4%	7%	11%	67%	11%
Industrial products: Manufactured materials and parts	4%	0%	19%	67%	11%
Industrial products that assist in production (e.g. office equipment, portable factory equipment...)	0%	0%	8%	81%	12%
Industrial supplies and services: industrial convenience products and services	0%	0%	4%	81%	15%
Other types of products/services	0%	11%	11%	44%	33%

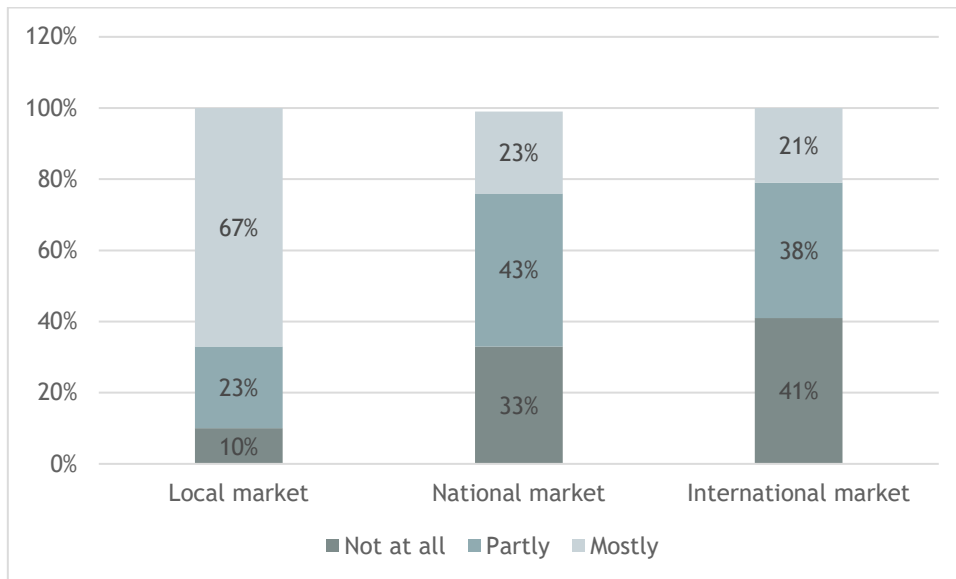


Figure 21: Q13 - Market orientation (n=30)

Existing markets	Not at all	Partly	Mostly
Local market	3 (10%)	7 (23%)	20 (67%)
National market	10 (33%)	13 (43%)	7 (23%)
International	12 (41%)	11 (38%)	6 (21%)

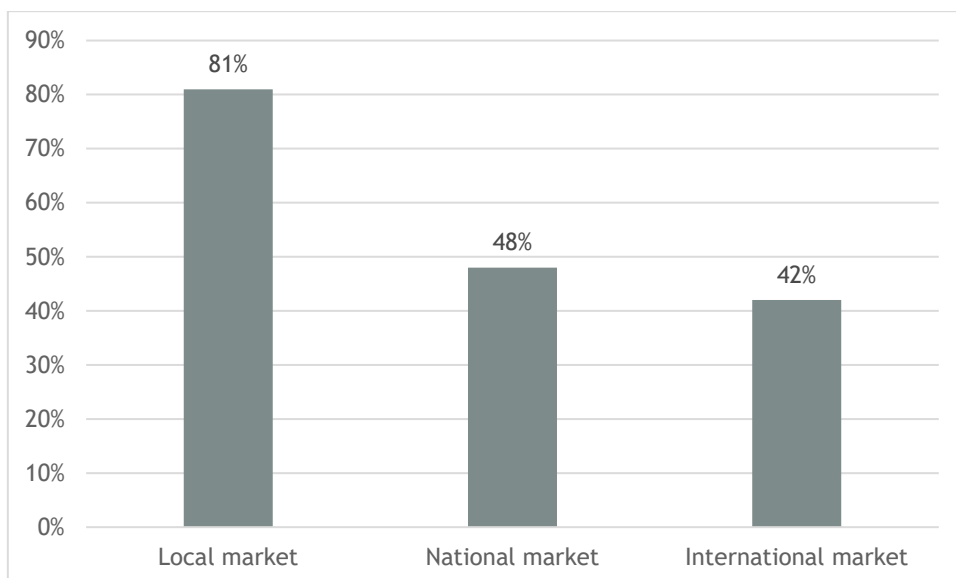


Figure 22: Q14 - In which markets would you like to increase your presence in the future? (n=31)

Intention to increase presence on the market	Frequencies	Percent
Local	25	81%
National	15	48%
International	13	42%



3.10. Levels of technological development and ICT tools

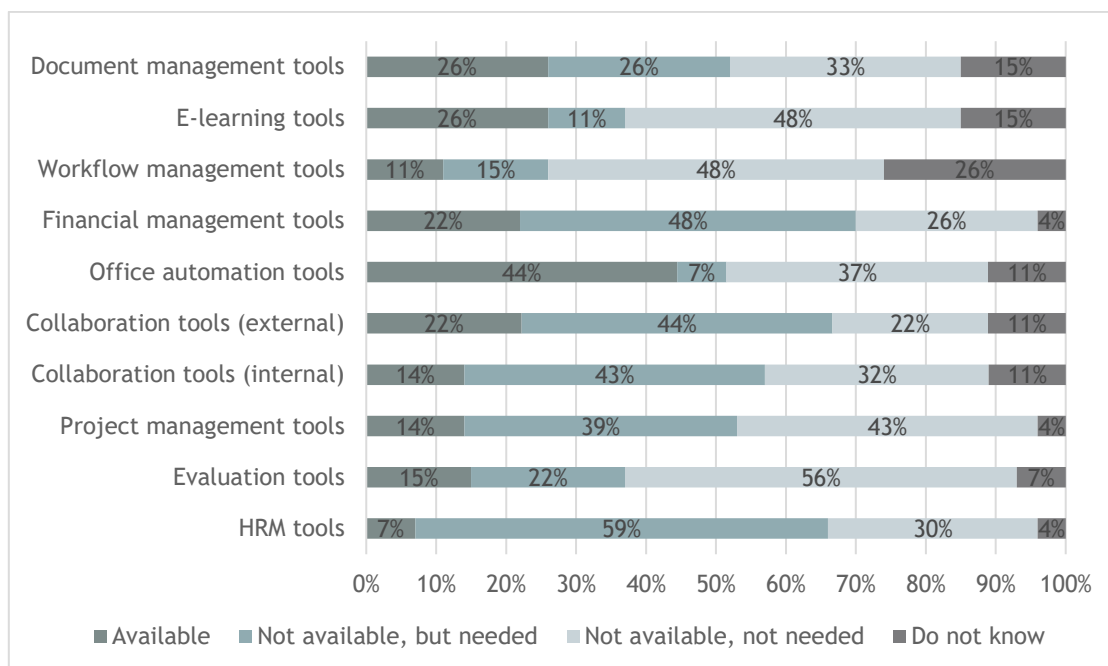


Figure 23: Q15 - What ICT support systems or tools are available to your organization? (n=27)

Leadership and managerial ICT support systems or tools	Available	Not available but needed	Not available and not needed	Do not know
HRM (human resource management) tools	2 7%	16 59%	8 30%	1 4%
Evaluation tools	4 15%	6 22%	15 56%	2 7%
Project management tools	4 14%	11 39%	12 43%	1 4%
Collaboration tools - for internal collaboration	4 14%	12 43%	9 32%	3 11%
Collaboration tools - for work with external partners	6 22%	12 44%	6 22%	3 11%
Office automation tools (word processors, spreadsheets, e-mail, etc.)	12 44%	2 7%	10 37%	3 11%
Financial management tools	6 22%	13 48%	7 26%	1 4%
Workflow management tools	3 11%	4 15%	13 48%	7 26%
E-learning tools	7 26%	3 11%	13 48%	4 15%
Document management tools	7 26%	7 26%	9 33%	4 15%
Other	0 0%	0 0%	1 50%	1 50%

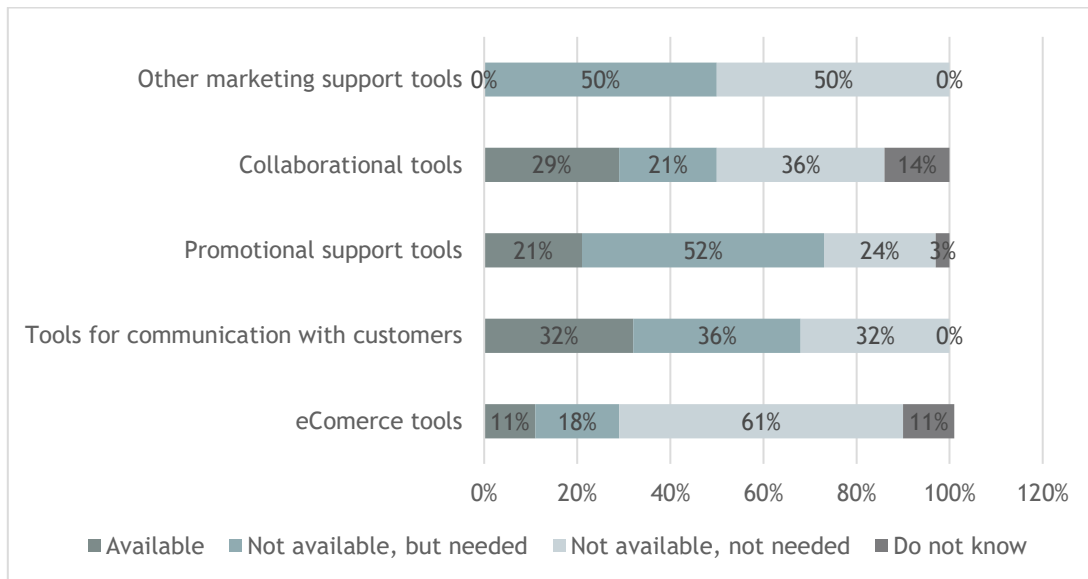


Figure 24: Q16 - What marketing ICT support systems or tools are available to your organization? (n=28)

Marketing ICT support systems or tools	Available	Not available but needed	Not available and not needed	Do not know
eCommerce tools	3 11%	5 18%	17 61%	3 11%
Tools for communication with customers	9 32%	10 36%	9 32%	0 0%
Promotional support tools	6 21%	5 52%	7 24%	1 3%
Collaboration tools	8 29%	6 21%	10 36%	4 14%
Other	0 0%	2 50%	2 50%	0 0%

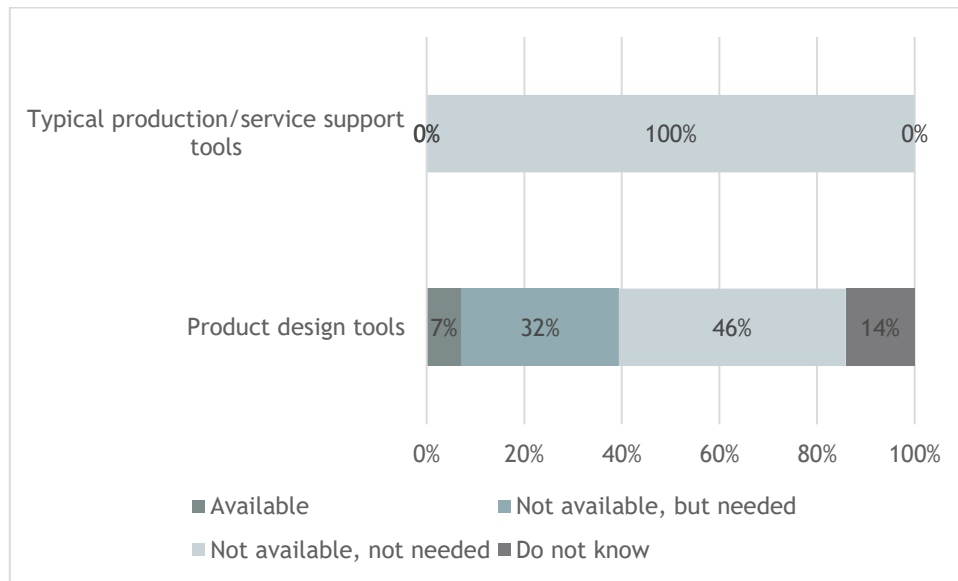


Figure 25: Q17 - What product and service ICT support systems or tools are available to your organization? (n=32)

Product and service ICT support systems or tools	Available	Not available but needed	Not available and not needed	Do not know
	Product design tools	2 7%	9 32%	13 46%
Typical production/service support tools	0 0%	0 0%	1 100%	0 0%



3.11. Language

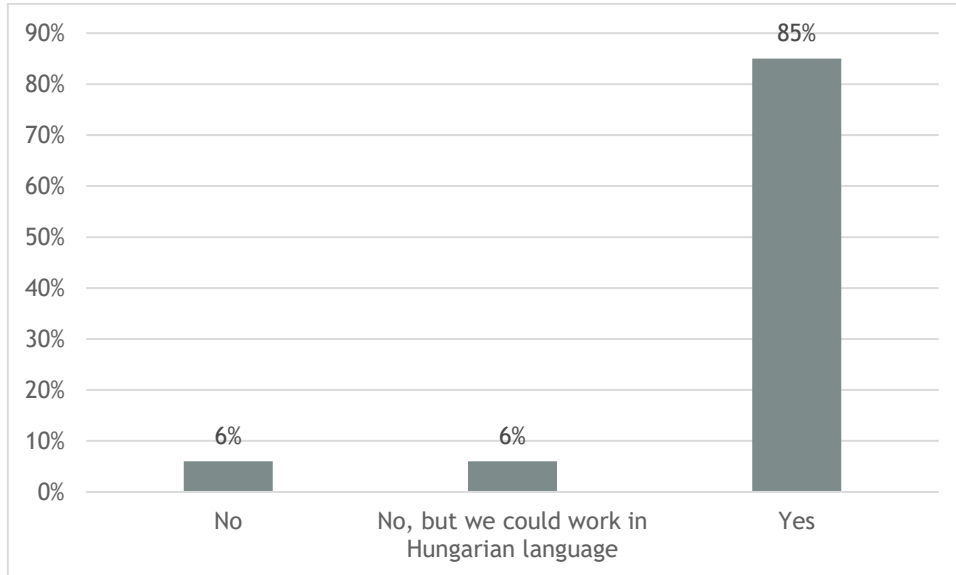


Figure 26: Q18 - Would English language be for the tools, trainings and social media communication that our project can provide you? (n=32)

Suitability of English language for the tools, trainings and social media communication	Frequencies	Percent
Yes	28	85%
No, but Hungarian language is suitable	2	6%
No	2	6%
Total	32	100%



3.12. Key findings

Main results	
Legal form of the company	Individual entrepreneurship and partnership of individual entrepreneurs rather dominant within the legal forms of the migrant companies (60% together), the more capital-intensive forms (LTD, PLC) are relatively rare.
Sectors of operation	Most businesses are in the food and arts/entertainment business, manufacturing/craft and fashion . Human health and social work activities has also a significant role in migrant enterprises.
Number of employees	The proportion of individual entrepreneurs and their partnerships is relatively high, consequently, there are few enterprises with more than two employees. Due to the low numbers of employees at immigrants' enterprises, the presence of immigrant employees among them also low. Almost half of businesses employ one or two immigrants (48%). The average number of employees who are of the same ethnic group as the owner is almost the same as average number of immigrant employees.
Skills and management: advantages	Important advantages based on the self-assessment: managerial skills in general, knowing foreign languages, lifelong learning, work organisation, teamwork, capability of quick implementation of changes, etc. The answers indicate that the respondents are not always aware of their abilities, probably that is overestimated.
Skills and management: shortages	Important disadvantages based on the self-assessment: administrative skills, ICT skills, technological innovation, developing new services, skills in manufacturing, familiarity with the local regulations, proficiency in Hungarian language, soft skills (self-knowledge), entering international markets.
Access to business networks	For most of migrant entrepreneurs is irrelevant to access to business networks in the same or other sector. Connection to networks of the same ethnic group the most accessible for respondents.
Familiarity with the local labour market and regulations	Respondents are partly familiar with the functioning of the local labour market, but familiarity with the local business regulatory framework can be identified as a major shortcoming.
Access to starting capital and business facilities	Obtaining starting capital, funding projects or business facilities are crucial for an enterprise. The latter two factors are more critical than the former.
Supporting business networks	76% of respondents have no information about supporting business networks.
Training needs	Key training needs identified are in the following fields: marketing and public relations, local business regulations, B2B networking (accessing local business in the same sector), financial management, developing new products, managerial skills.
Managerial models	Correlation between managerial models and sectors of operation: <ul style="list-style-type: none"> transformative (27%): food, fashion, ICT, arts and entertainment laissez-faire (27%): manufacturing/craft, arts and entertainment, food, fashion participative (27%): water supply and sewerage, construction, food, health and social work
Markets	Surveyed migrant enterprises are oriented mostly to the local market (67%), their products and services for everyday use (62%) or less frequently (28%). 48% and



	42% of respondents intend to increase his/her presence on the national and international markets.
Technological development, ICT tools	The following ICT support systems are not available but needed: HRM tools, collaboration tools for external and internal partners, financial management tools. Among the marketing ICT support systems, the promotional support tools are the most needed.
Language	For 85% of respondents English language is suitable for tools, trainings and social media communications.



4. ANALYSIS OF THE INTERVIEWS

The *Social Entrepreneurship as an Enabling environment for Migrants' Employment and Integration* (SEE ME IN, Interreg Central Europe) project has the objective to support migrant entrepreneurship thus contributing to economic and social development of the country.

As part of the in-depth context analysis within the SEE ME IN project, BCCI conducted a field research of the migrant entrepreneurship sector in Hungary. The targeted population was the third country nationals, i.e. person that holds working permit or permit for residence for foreigners (regardless of the type of the permit) and owns a business.

The semi-structured interviews as a form of qualitative approach to the analysis were conducted with ten migrant entrepreneurs during August/September 2019. The interviewed entrepreneurs have not provided a consent for audio recording of the interview.

The data that are gathered are confidential in terms of their linkage with the entrepreneur's name and company, and that they should only be used in the project materials and publications to contribute to the general overview of migrant entrepreneurship in Hungary.

INTERVIEW 1

1. Introduction:

- business: self-employed woman of Russian descent with temporary employees
- country of origin: Russia
- has been running her business for 6 years
- moved out of Russia for political reasons and because of the financial support of her family
- number of employed/migrants: does not have a permanent employee, but from time to time has helpers from her own ethnic community (husband from Romania is her main assistant)

Specifics and performance of the enterprise:

- doing crafts, making ceramics and selling them at fairs with an increasing emphasis on online sales and shipping abroad
- key advantages: unique products, unique implementation technique, support from one's own ethnic group
- key shortages: integration problems, prejudices, complex tax system, bureaucracy
- Hungarian buyers appreciate the uniqueness of ceramics, but according to the interviewee the willingness to pay has been decreasing in recent years
- net sale is below HUF 6 million
- in general, there is a need to raise capital for further development



2. Activities, products and services:

- making of special ceramics, especially mugs and plates
- is often making products for a particular event, e.g. weddings, major events (gifts)
- plans for improvement: holding workshops, craft programs for children
- emphasizes great importance to charity and environmental protection, regularly sells its products for charity purposes, and on the other hand consciously seeks environmentally friendly solutions in the applied technologies

3. Market, partners and integration:

- initially was selling only in Hungary, now foreign orders are becoming more common
- the most distant order to date has been from Australia
- deliveries to: Russia, Sweden, Denmark
- not affiliated with business networks in Hungary, tries to improve its online store by all means possible, but does not receive official assistance
- does not use paid marketing tools (e.g. social media ads), mainly relies on personal endorsements and regular appearances (e.g. at fairs, events)
- would be happy to work with other businesses, whether in their own field or in other segments, but finds this very difficult in the current circumstances
- is less familiar with the Hungarian regulatory environment (KATA tax form is not satisfactory), and she does not need to know much about it, while she pays \$ 50,000 a month of business taxes (was even punished)
- typical shoppers: women aged 30-50, often tourists
- integration: from her husband's circle of friends they have primarily Hungarian acquaintances, but they also find it very difficult to integrate
- her children are kindergarten-age, and they make integration a little easier
- business: language barriers make networking very difficult

4. Leadership and management

- the interviewee is deeply committed to her business and, according to her, thinks about developing her products 24/7
- she likes to keep the processes in her own hands, and she takes help from her husband and immediate friends
- mentioned that it is difficult to get others to trust you, so it is hard to imagine expanding your business with employees

5. Training

- would like to participate in general business development training, especially if a part is available in webinar format and there is no need to travel for it (the interviewee lives in Kecskemét)



- would like to meet similar companies, even from abroad, with whom she could exchange experience
- would welcome export advice on exploring new markets

6. Tools and technologies

- uses ICT tools for sales purposes
- software and services used: social media (Facebook, Instagram), own website
- Gmail, Facebook no subscription, no plans
- she does not use software or solutions that help the operation of the company and is not familiar with them

7. Languages

- English, Russian, basic Hungarian

INTERVIEW 2

1. Introduction:

- business: entrepreneur of Afghan origin
- has been living with his family in Hungary since 2000, preparing for their move during the gradual takeover of the Taliban
- the Taliban forbade women from making money, so family members could not continue their original background work
- business type: confectionery (Budapest, X. district) founded in 2011
- the turnover of the confectionery is 8-11 million HUF annually (minimal profit)
- number of employed/migrants: 2 full-time employees and one seasonal assistant (trainee)
- specifics and performance of the enterprise:
- key advantage: they are able to make cakes that are not generally known to the Hungarian public, but are easily matched to the Hungarian taste and are very liked by the local people
- key challenges: people who do not know them personally often make comments (e.g. on Facebook, sometimes the shop window is damaged by strangers)
- plans: to increase income, do active marketing, and if the revenue allows it to open another confectionery

2. Activities, products and services:

- traditional cakes and drinks
- events within an ethnic group, less often film screenings, informal programs



3. Market, partners and integration:

- they were welcomed by the local ethnic community, but integration with the Hungarian people was much more difficult, mainly due to language problems
- they now speak at an intermediate level, which is appreciated by the local Hungarian community
- hurts the owner for not having guests from outside the district, wants to build a stronger reputation and more remote communities in the future
- typical visitors are families with children and retirees
- retired people usually make takeaway gifts and smaller cakes
- would always be open to social assistance, the food left over that day would be given to the homeless in the area
- questions about the knowledge of the local legal environment are well known by the owner and the employee present, who say they know this system are likely to be not transparent
- problems: food industry regulation is constantly changing. The NBH is very friendly and helpful with them, but they are quite hostile towards them in the government window
- they try to do everything they can to ensure that the confectionery can continue to operate
- they would appreciate having official assistance to help them navigate through year-to-year regulations, help identify and correct potential non-conformities
- training needs in addition to: marketing, networking

4. Leadership and management

- the owner described his business as operating a large family
- "Father" in the business, and the rest are family members who have the same say in each decision
- work without strategy, decisions are made after discussion, based on what seems ideal
- would like to give everyone a chance to grow their interest in the business, for example, product development
- management development: intercultural mediation would be useful to reach other districts of Budapest

5. Training

- need for networking support
- would love to meet other companies in a similar segment
- would like to make their activities more widely known - marketing consulting would be helpful
- ICT tools are used to the extent they are needed, they are not known, they cannot say that if they were used, what would be good
- form of education wanted: in person, outside working hours



6. Tools and technologies

- do not use ICT solutions, they have cell phones, they use Facebook, Instagram and chat software
- They don't use software to help them run their business, they don't think it would be useful for them
- they like staying closer to the company, they think that excessive IT in one company will remove people from each other

7. Languages

- Persian, English, Hungarian

INTERVIEW 3

1. Introduction:

- business: a gyros buffet on the Boulevard in downtown Budapest opened in 2008
- country of origin: Iraq/Turkey
- the motivation for the opening was given by their friends who have already operated similar fast food bars in other districts, they decided to move, they would not have been able to open such a buffet in Iraq
- are happy to live in Hungary and are currently experiencing difficulties in heavy-duty administration so far, including administrative work
- enjoys extremely broad ethnic support, with at least a quarter of their guests coming from the same or related ethnic groups
- Hungarian guests are still in the majority, so it soon became necessary to hire Hungarian workers, as they had difficulty with the Hungarian language
- which makes it difficult to acknowledge their religious practices, they specifically emphasized that they would, for example, fully respect Christmas, but in return would expect them to recognize their own religious holidays
- their annual turnover is between HUF 11-13 million
- main advantages: widespread ethnic support, Hungarian guests open to food
- main disadvantages: difficulties with food safety authorization, difficult communication with authorities, language barriers
- name and position of the interviewee: two owners
- number of employed/migrants: two owners of the restaurant and two have part-time Hungarian employees

2. Activities, products and services:

- soups (e.g. fruit soup, lentil soup); main dishes: falafel puree, falafel pita, gyros, salads, garnishes; desserts: baklava, fruit rice, milk rice



3. Market, partners and integration:

- popular buffet with a wide range of guests
- Turkish and Arab guests are decisive, Hungarians also welcome
- according to them, by now Hungarians have become quite accustomed to meeting other ethnicities in places selling gyros, kebabs and similar foods
- they do not want to expand, at most to modernize their current kitchen

4. Leadership and management

- the high turnover of Hungarian employees is difficult, as they are training someone, that person often goes on with their new knowledge
- want to organize more programs e.g. within their ethnic group, personal contact is very important to them

5. Training

- they would be interested in training on reducing bureaucracy but are unable to attend any course or program during working hours
- have never received official business development support, do not know what they are about and what results they would expect
- if a person works well and makes fine things, customers will find it anyway, everything else is a scam
- trust in his personal power, for example, if someone is uncertain at their gate, whether to enter or welcome conversation, they believe that such immediacy can convince customers
- used to be flyers in the past, today they are no longer produced

6. Tools and technologies

- ICT tools are not used, they are not interested
- are using mobile phone for email, chat, phone calls
- they don't have their own website

7. Languages

- Arabic, Kurdish, Turkish, intermediate Hungarian, beginner English

INTERVIEW 4

1. Introduction:

- business: business startup to design and produce unique fashion products (company to start in December 2019); position of the interviewee: owners



- country of origin: Russia, Turkish ethnicity
- number of employed/migrants: 0
- they had already started a similar activity in Russia, but could not make a living from it, and thought it was better to leave the country because of ethnic problems and they are currently both involved in the design, procurement and production process
- their ethnic background is very helpful in sourcing materials
- they currently have a Facebook page, an Instagram account, and a website is being created
- they are stuck in the start-up phase of the business, they are constantly being filled and because they do not speak Hungarian yet and there is no office to help (they have Facebook and Instagram page)
- currently earning between HUF 200-300,000

2. Activities, products and services:

- making high quality women's clothes and costumes
- sustainability and environmentally friendly operation are important to them
- want to connect with Europeans instead of current ethnic suppliers because of quality issues

3. Market, partners and integration:

- Hungarians have limited interest in their clothes and accessories; Instagram comes from Italy, France, and Russia
- they are not engaged in paid marketing and are currently posting as a private individual
- they would like to open a paid advertising account later and consult an advisor
- they would love to expand overseas, but they do not currently know the platforms for doing so
- they desperately need information about fashion trends
- because they make high quality products, price positioning fits in, they don't want to sell them in traditional web shops, they think it is more important to develop a brand first, but for now they have little knowledge
- based on their previous studies and work experience, they are fully capable of producing the individual garments they design, but do not have their own manufacturing capacity, they want to involve people and seek help in recruitment

4. Leadership and management

- currently, the interviewing couple is in charge of the processes, they have no employees or helpers
- it is often difficult for them to strike a balance between work and private life
- would like to be more aware of the priorities in the future, besides not dealing with the management



5. Training

- would like to participate in fashion business development trainings, mentoring, exhibitions in Hungary and abroad
- they would be happy to advise on advancement, expansion, trends
- would like to get in touch with businesses working in similar fields, they currently have no access at all
- would like to know the history of already established companies, would be happy to advise them, and would also be interested in e.g. a workshop on failures and failures because they feel that there is much to learn from it
- they are keen to meet Hungarian people, but the lack of a common language is a major obstacle at the moment

6. Tools and technologies

- great opportunities in social media, they want to start their own blog
- want to learn the basics of content marketing and search engine optimization
- open to use ICT tools, but currently don't see what would be useful for a two-person company as they are in direct contact with each other throughout the day

7. Languages

- English and Russian

INTERVIEW 5

1. Introduction:

- business: wastewater treatment plant that is much faster and more energy efficient than current solutions, while meeting all European environmental standards
- position of the interviewee: owner
- country of origin: Brazil
- number of employed/migrants: Swedish, Spanish and two Brazilian associates
- specifics and performance of the enterprise:
 - a prototype of the product is currently available, but they still need to work on many features before they can be marketed
 - advantages of the company: high priority theme (environmental protection), high technical knowledge, international cooperation
 - business disadvantages: they have difficulty understanding the benefits of their idea because they don't have a scalable business yet, so investors aren't interested in them, too many start-up companies in the area and it's hard to stand out
 - plans include establishing a company (possibly moving back to Austria where investment opportunities are better), expanding the company and, above all, increasing



business knowledge, as an engineer he has little insight into business development, marketing

- annual revenues currently come from other business activities, which is 1-2 million HUF / year, EUR cca 5 000
- usually asks his Hungarian friends for help in official administration, he rarely undertakes this himself due to language barriers

2. Activities, products and services:

- innovative wastewater treatment process one wants to sell primarily to wastewater treatment plants, municipalities, industrial companies
- would be happy to sell the product to Europe and America once it is ready
- would not like to stay in the local market
- it offers engineering design knowledge to industrial companies as a service, but does not consider this to be the main business profile
- has no manufacturing capacity and sees this as a serious problem for the future

3. Market, partners and integration:

- main target market: Austria, Germany, industrial areas
- the equipment is currently operating within the EU environmental limits, but if exported to a more distant country, they could be modified to comply with other regulations
- is not currently marketing (some articles appeared in technical newspapers as unpaid publications)
- they have no website, no social media, they have minimal visibility
- they work with university spin-offs, but they have poor experience, and have repeatedly found themselves wanting to leverage high-level engineering expertise at low prices, for example. large companies, but they couldn't access business opportunities at the same time

4. Leadership and management

- the manager of the business manages the team, but the team is not a member of the company at the moment, plans for next year are to expand the company and transform the sole proprietorship into a company
- considers it important to use online management tools, especially for project management
- still has problems with redundant workflows, and wants to change that

5. Training

- would appreciate any business development training, especially in business plan writing, customer reach, marketing
- seeking investment or other financial support
- would appreciate product development advice, intellectual property protection guidance (they had already requested an offer, but it was so expensive that they could not order it)
- international networking events are welcome



- have not yet received enterprise development support, but they know that there are start-up accelerators in Hungary, but they do not accept sole proprietorship

6. Tools and technologies

- ICT tools used: Trello, Slack, formerly Asana
- trendy online services like mind mapping, online tools for brainstorming

7. Languages

- English, Portuguese

INTERVIEW 6

1. Introduction:

- business: importer of small quantities of African handmade products mainly handicrafts (ornaments, textiles, jewellery)
- position of the interviewee: owner
- country of origin: Sudan
- number of employed/migrants: 0 (handicrafts are currently being sold by Etsyn as a KATA taxpayer)
- specifics and performance of the enterprise:
 - would like to do this full time and is now looking for help
 - Key advantages: existing market (supplier) relationships, local knowledge, uniqueness
 - Key shortages: often insecure delivery, stock issues (you never know what you will be able to get for your next order, and storage is often problematic)
 - maintains an active relationship with his / her ethnic group
 - net sales are between HUF 3-4 million, EUR: cca 8 000

2. Activities, products and services:

- imported products: Clothes, Jewellery, Masks, Stone Carved Animals
- currently engaged in tutoring, this is also a hiring activity for the company, but would like to work full time in commerce
- social responsibility is important to the owner, as she wants to help children fleeing war (he was not in the country at the time of the Sudan massacre but was deeply shaken by the news, see conflict in Darfur)

3. Market, partners and integration:

- main supplier partners: Ethiopia, Kenya, Zimbabwe



- would like to expand this circle to other countries, which is capital intensive
- is not engaged in targeted marketing yet, Etsy sells its products on the online marketplace
- would like to deal with the local market, for example to appear on Mesa, but she considers the sale fees very high
- would be happy to contact other businesses, either in its own field or from another area
- typical Customers: young people aged 20-30 looking for unique, extravagant products (UK, Germany)
- women aged 40-50 who are looking for cleaner items and jewellery that are also noticeable in their appearance
- plans: launching Instagram, launching Facebook page, community building for African migrants (in groups)
- the interviewer has an active relationship with people of Hungarian descent, has many friends, and is in touch with his own and related ethnic groups

4. Leadership and management

- the interviewer runs a self-employment business
- would like to find a partner who has local knowledge, but finds this very difficult in everyday operation

5. Training

- interested in: business development, marketing, networking, leadership, advanced export-import skills
- also wants to learn the business language and gain a thorough legal knowledge
- interested in expanding into foreign markets, but according to her own admission, it is not clear yet which markets to try

6. Tools and technologies

- uses the same ICT tools you use in your everyday life (mobile phone, tablet)
- software: familiar with image editing software, currently studying web development as a hobby
- does not use management solutions or other business support tools

7. Languages

- Arabic, English, Hungarian



INTERVIEW 7

1. Introduction:

- business: Chinese tea shop owner who carries on the tradition of authentic Chinese tea
- due to political situation, worsening economic conditions and high level of pollution (living in the immediate vicinity of industrial area) and given the large number of Chinese communities in Hungary, they thought Hungary could be a good place to settle
- advantage: Extensive economic relationships, strong local support, commitment, outstanding expertise in authentic tea
- disadvantage: due to the lack of language skills, they have more limited opportunities in Hungary, although they are quickly overcome by their Hungarian employee
- country of origin: China
- number of employed/migrants: 1 Hungarian
- specifics and performance of the enterprise:
 - the family travels to China on a regular basis, partly because of commercial activities and partly because of family relationships
 - advantage: extensive economic relationships, strong local support, commitment, outstanding expertise in authentic tea
 - disadvantage: due to the lack of language skills, they have more limited opportunities in Hungary, although they are quickly overcome by their Hungarian employee

2. Activities, products and services:

- green, black, red, oolong, wulong, puerh teas, tea accessories
- organization of tea ceremonies and tea-related programs

3. Market, partners and integration:

- their supplier partners are available in China without exception
- China's traditional tea-producing areas are visited several times each year and selected from the current supply
- in China, a warehouse is maintained from which they can supply supplies
- they have a very good relationship with local suppliers, which is a big advantage to them from other non-Chinese tea buyers, so they also have access to teas that are usually not purchased by a European or American
- family integration is partial, Chinese-born men and women speak little Hungarian and have difficulty learning the language
- knowledgeable customers: 35-50 year olds, typically wealthier men and women
- among them, the proportion of foreigners is dominant and the Chinese ethnicity is outstanding



- the business does not want to expand further, just aiming to provide them with a comfortable livelihood and the time to develop their profession
- they have limited interest in building relationships with other businesses, saying they would rather sit down to have a good tea and talk about things in life, rather than devoting every minute of the day to something planning and acting
- plans: find the most interesting teas every year
- they are not interested in foreign market expansion

4. Leadership and management

- the family decides on company issues; husband and wife are decision makers in various fields
- the husband controls the delivery process and the wife is primarily responsible for the finances
- their Hungarian employee is involved in all work processes, including purchasing and shop development

5. Training

- not interested in business development trainings, but at the same time emphasize that they love people very much and like to connect but do not want to go back to school
- rarely run into guests who don't have the patience to listen to and go through a tea ceremony, but they consider this approach very important in a business
- the acquisition of knowledge is perceived to be more realistic, or through deeper conversation

6. Tools and technologies

- they do not use ICT devices, they have a mobile phone, but they are also used at most for communication
- they like to take pictures, but they usually rely on a Chinese tea-loving friend to do the editing

7. Languages

- Chinese, beginner Hungarian

INTERVIEW 8

1. Introduction:

- business: small Pakistani-Indian restaurant
- position of the interviewee: owners (3)
- country of origin: Pakistan/India



- number of employed/migrants: 3 (owners), two out of three friends have lived in Europe for many years, the current senior owner is Hungary's first foreign resident (all from Islamabad)
- specifics and performance of the enterprise:
 - they have been living in Hungary since 2009, since then they have taken part in several businesses, but have not found their place
 - now they operate a distillery that is stable and has annual sales of HUF 14-16 million, EUR: 40-50 thousand
 - they return to Pakistan once a year, respect and love their country, which is very important in their lives
 - regularly send home support to their family members who are still on the ground
 - advantages: menu selection tailored to local Hungarian tastes (e.g. Indian dishes prepared like gyros), good customer relations, supportive ethnic community, open to their dishes
 - disadvantages: strict and difficult to follow food safety regulations, lack of skilled (willing and loving) workforce

2. Activities, products and services:

- cuisine: Middle Eastern, Indian, Pakistani
- focus primarily on lunch, hold events for extended periods, and then fulfil individual orders

3. Market, partners and integration:

- acquired the necessary restaurant management skills from other companies during their previous employment
- currently a significant proportion of their suppliers have been selected for their own ethnic offer, some of which are Pakistan-based suppliers anyway
- these are many years of active, strong relationships
- spices and other small supplements are imported from India
- they are not doing targeted marketing, they have created a website for themselves, but neither they nor their Facebook page is updated
- they have no development of their logo and other corporate identities, they have put together the necessary images themselves in a photo editing program (they are aware of it, the image world they used before is complete and they use their colour and don't want to change it)
- they have no other online activity or offline presence
- their main customers are Pakistani-Indian cuisine, business people, students
- the population of the district is their main target audience and the presence of guests of Pakistani origin is decisive
- plans: have been thinking about pro Facebook and website, but now they have capacity issues, which is the main obstacle to expansion
- they would be happy to serve guests from outside the district, though due to the capacity issues mentioned, this is not their active plan



- they are not thinking about international expansion
- they often organize programs in the restaurant in their own ethnic community; in addition, their integration is partial (mostly made up of Hungarians who love the kitchen)

4. Leadership and management

- everyone has a specific area of expertise in the company, besides being involved in kitchen tasks on a daily basis
- there is no fixed decision maker on disputes, they say they will argue on all issues until they finally reach the agreement
- the biggest advantage in their leadership style is that all three are active, temperamental people who never hide from the current challenge

5. Training

- they are not interested in special trainings; they cannot name a field in which they would find one useful for them
- need expert advice: legislation, food safety, prepared handling of official controls

6. Tools and technologies

- ICT devices: mobile phones, laptops, other smart devices
- have heard that there is a solution that automates orders e.g. with a tablet or mobile app, but they can't afford the price right now, and on the other hand, they are very keen to keep in touch with their own ethnicity, so they don't want digital upgrades or automation

7. Languages

- Panjabi, Urdu, Broken English, Broken Hungarian

INTERVIEW 9

1. Introduction:

- business: kebab buffet
- position of the interviewee: owner
- country of origin: Turkish
- number of employed/migrants: 2 Hungarian employees (+2 owners)
- specifics and performance of the enterprise:
 - originally tried to earn a living as an employee, but often did not receive a salary or a payment that did not cover the payment of bills
 - this was a very difficult time when he could barely contact and maintain his own ethnicity, but language barriers made it difficult



- on the advice and support of his friends, he decided to start a restaurant business
- he was strongly supported by his family
- has invited his co-owner to Hungary from his old friends in Turkey and has since settled here (a feature of Turkish communities living in Hungary - BCCI note)
- the business opened in 2016 after obtaining the necessary permits
- their annual turnover is 17-18 million HUF, EUR: 40-50.000
- main advantages: existing ethnic relationships, ethnic business knowledge transfer fast (co-operation), food offer accepted and looking for in Hungarian market
- major difficulties: language barriers at first, huge bureaucracy, opaque legislation
- they rarely have problems in the migrants' field, they have comments on them, but they are older people who don't know them personally

2. Activities, products and services:

- products: falafel sauce, gyros sauce, adana sauce, sandwiches, spit roasts, soups, fried foods (fish, cheese), salads (ezme, greek, eggplant etc.), desserts (fried rice, fruit rice, baklava, puddings)
- cuisine type: fast food, Turkish, Middle Eastern, European
- they also have a special offer: vegetarian, vegan, halal

3. Market, partners and integration:

- they are now living comfortably in the local market
- they would consider enlargement to be good later, mainly based on the geographical location of their ethnic groups, but currently they find this market covered
- They see opportunities in the outskirts of Budapest, where there is also a significant Turkish community
- currently 40% of their income comes from their own ethnic (estimated)
- they do not feel that integration is important for them, given their existing friendship, family relationships and living a full life in Hungary
- they like to meet Hungarian guests and like to talk to them, but they like to discuss friendly topics with their relatives
- they have minimal paid marketing activity, are on TripAdvisor and are thinking of a Net waiter subscription, but find the connection costs and commissions very high
- they do not have their own website, no Facebook page, they are listed on aggregate websites like the one above
- used to be advertised in the local newspaper, nowadays they would find it unnecessary, the place is well known by the guests
- consider it important to follow the taste of the guests; mentions here that his father had already tried to do this kind of business in Istanbul in the mid-1970s, but at that time, these dishes were not accepted by European tourists (according to tradition, today's diner was invented by Kadir Nurman in the early 1970s, see "Kadir Nurman (c.1933 - October 24, 2013) was a Turkish-born German restaurateur, widely credited with having in 1972, in West Berlin,



introduced or" invented "the fast food sandwich commonly known as the" kebab " Turkish doner kebab meat stuffed together with mixed salad into a flatbread. "- Wikipedia)

4. Leadership and management

- their restaurant works as a community-driven place
- their leadership style is debatable, and are happy to discuss issues they feels are important
- everyone in the company knows his job, no special managerial leadership needed
- labour recruitment tends to be difficult, but they already have proven methods

5. Training

- since they are in the restaurant from morning to night, cannot and does not want to attend training
- do not want to miss out on our employees during opening hours and think that other days are not motivated enough by a training opportunity
- are currently satisfied with the performance of their company, and would only seek help if there is a place in the outskirts where it would be worth opening a restaurant

6. Tools and technologies

- ICT devices: mobile phone, tablet
- software: No business-related software is used or known
- they might appreciate a website of their own, but the price is considered unrealistically high

7. Languages

- Turkish, intermediate Hungarian, broken English

INTERVIEW 10

1. Introduction:

- business: printing African motifs, embroidering on clothes, and later wanting to expand this with textile imports (although they are planning for the distant future given the epidemiological situation)
- position of the interviewee: founder (Brazzaville with their family, originally from a well-to-average family who traded ores)
- country of origin: Congo
- number of employed/migrants: 0
- specifics and performance of the enterprise:



- consider the current situation in their home country frustrating and often consider them to be the enemy of those who have left Congo and subsequently return, even as a visitor brought in deliberately)
- Has been an entrepreneur since 2018, initially working as a freelance translator and playing a pivotal role in forging African communities in Hungary
- typically lived on a minimum wage and could afford a very modest lifestyle, but still finds his life in Central Europe extremely happy
- made money, usually spent it on travel with his wife, used these trips for language learning, then interpreted and translated in that country and used to finance
- current annual turnover: HUF 3-4 million net, EUR: 11-13 thousand (estimated for 2019)
- main benefit: extremely positive outlook on life, flexibility and openness, commitment to slow but secure business development
- main disadvantages: Hungarian market is a tight niche market; Western Europe is more likely to sell such unique product

2. Activities, products and services:

- printing of traditional African motifs on embroidery

3. Market, partners and integration:

- they consider the Hungarian market to be a niche market, as this also provides a good basis for their current livelihood
- they do not currently have a website or social media presence, but they are planning to get the capital they need for it
- they now rely on personal networking, especially within African communities
- integration: they speak Hungarian perfectly, their children go to Hungarian schools, they have a lot of Hungarian and African (mainly Nigerian) friends, they are recognized and loved by their environment

4. Leadership and management

- gives the greatest importance to the principle of permissive leadership because he believes that people can develop if they are not beaten but motivated
- would love to work with employees, but currently has no opportunity to expand the business
- he does not know much about business development, nor can he interpret local legislation (would require support)

5. Training

- interest: business plan development, market entry, marketing support, networking
- personal training is very important however, it is difficult to manage online materials

6. Tools and technologies



- ICT solutions: they know more, but none are used today (subscription fees for several solutions are high for them now)
- usage of a mobile phone, tablet, have smart devices (e.g. smart watch)

7. Languages

- French, Kooker, English, German, Hungarian

Key findings

Based on conducted interviews with migrant entrepreneurs in Hungary the essential findings relevant for the SEE ME IN project objectives are the following:

1) Key obstacles in business

- market opportunities: usually strong relationship with their ethnic group, but limited access to the Hungarian or European market; better opportunities when the product or service is widely known in Hungary (e.g. kebab buffet)
- access to entrepreneurship: almost all entrepreneur struggled to establish a business in Hungary (bureaucracy, language barriers, unfriendly offices)
- high taxes and high costs of maintenance
- many immigrants are operating in market sectors that require quite low financial investment - which results in reaching only low profits
- during the establishment of their businesses, easy entering was of utmost importance
- lack and need of knowledge: laws, regulations (changing legislation system)
- limited access and knowledge about supportive initiatives/programs
- language barriers
- usually poor access to national or EU information channels
- usually ineffective marketing or lack of communication activity

2) Training needs

- expressed interests: understand of local market and business administration; creation of a (business) plan; training of entrepreneurial skills; financial and marketing knowledge
- due to the heterogenous target group: personalized mentorship or group coaching is recommended (business plan writing, company initiation processes, scaling up etc.)
- transferable skills are important - skills which can be used in a different country or in a different sector
- low interest in ICT tools (raising awareness, showcase of existing solutions would be useful)
- distribution of preferred way of training: 80% personal, 20% online
- preferred training language: English
- based on the stakeholder event's results: finding a business partner is crucial - networking events are important



Other recommendations:

- improving access to information about the local/national/international market (enhance the visibility of supportive programs, translation of business-related pages, programs)
- network establishment: connecting third country nationals' entrepreneurs with each other and local entrepreneurs (exchange ideas, stories, knowledge and skills)
- establish professional networks with business owners from similar industries
- engage migrant entrepreneurs to join community organizations (e.g. meetups)
- provide cross-cultural training for local businesses in order to enhance their understanding and acceptance of third country nationals' enterprises



5. CONCLUSION

The proportion of foreign citizens residing in Hungary has been increased in the last decade, but compared to European countries, Hungary still has a modest presence of immigrants. Four-fifths of immigrants came to Hungary intending to work or for further education. The average age of immigrants living in the country is lower and the average level of education is higher than that of the Hungarian population. Based on the official statistics 10,5% of the immigrants were self-employed, compared to 7,4% of the total population. Migrant enterprises typically operate in the commerce, catering and other services sectors. Third country enterprises in Hungary can be characterized by functional cooperation.

Our field research has several important findings from the perspective of SEE ME IN project. Individual entrepreneurship or self-employment is the dominant business strategy among the participants. Most businesses are oriented mostly to the local market in the sectors targeted by the project: food and arts/entertainment business, manufacturing/craft and fashion.

The main obstacles stem from lack of skills and information or unfavorable characteristics of the economic environment. Respondents are less familiar with the functioning of the local labor market and business regulatory framework, no have experience of working as an entrepreneur, language barriers, lack of business network etc.

Key training needs identified are in the following areas: financial and marketing knowledge, market and business administration, entrepreneurial skills. Due to the heterogenous target group personalized mentorship or group coaching is recommended.



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