

# HOW DO EU MEMBER STATES ATTRACT AND RETAIN START-UPS AND INNOVATIVE ENTREPRENEURS FROM ABROAD?

## EMN FLASH #9 - 2019

Introduction to the EMN Study on Migratory pathways for start-ups and innovative entrepreneurs

### Background

Recent years have seen a proliferation of admission schemes for 'start-ups' and 'innovative entrepreneurs', both within the EU and globally. At EU level, improving the EU's attractiveness for foreign entrepreneurs forms part of the objective of upgrading the single market. Although the primary rationale is rooted in economic policy, attracting start-ups is also in line with EU migration policy objectives, such as tackling demographic change and satisfying labour market needs

To what extent is the attraction and retention of entrepreneurs and start-up founders a policy priority for EU Member States? What are the main factors and prerequisites in attracting start-up founders /

employees? What are the requirements for obtaining a start-up visa/residence permit or other type of residence permit/visa for innovative entrepreneurs? What challenges and good practices are in place?

By exploring the national policies and practices in EU Member States to attract and retain start-ups and innovative entrepreneurs, this EMN Study provides a concise overview of recent trends, challenges and good practices from 25 Member States. At a glance, the main research findings are introduced below.



### Key trends and findings



**Over half of the Member States consider attracting and retaining innovative entrepreneurs and start-ups from third countries a policy priority** in order to promote a vibrant entrepreneurial culture. In the remaining Member States, although fostering innovation and entrepreneurship is a priority, they do not focus on attracting entrepreneurs from third countries.



Thirteen Member States have **specific admission schemes** in place (mainly residence permits and/or visas) for start-up founders and entrepreneurs from third countries. The majority of the schemes are still in their infancy, having been introduced in the last three years. A special visa and residence permit to admit start-up employees exists in Cyprus, Estonia, France and Portugal.



**All start-up schemes target a specific type of business**, i.e. those that are innovative, scalable and/or with an added value for the national economy and business environment. However, their design and set up differ significantly across the Member States, with a wide variation of admission conditions relating to both the business and the start-up founder.



**Member States without a specific scheme** use other channels to admit start-up founders, such as those for self-employment and business activities; employment and gainful activities; investor permits and/or for the purposes of studies and research.



**Main pull factors** include the Member State's start-up scene and the presence of hubs and locations with well-developed ecosystems; access to funding as well as socio-economic factors (e.g. cost of living, salary levels, housing and quality of life).

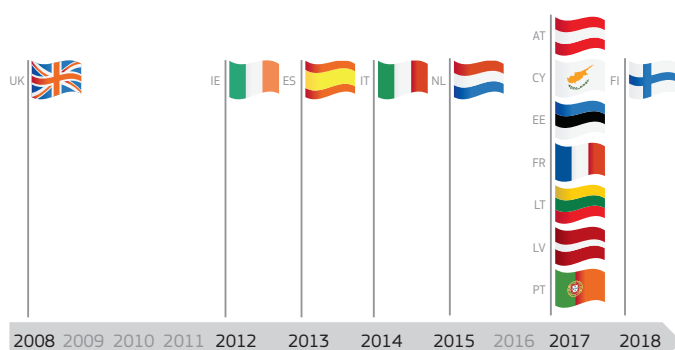


**The common challenges in attracting innovative start-ups include:**

- global competition for talent and comparable opportunities in domestic and other markets;
- lack of incubators and accelerators;
- burdensome administrative procedures and lengthy application times.



### Timeline of introduction of start-up schemes



### Number of TCNs who have been granted visas/residence permits for start-up/entrepreneurship in 2018

|       |  |
|-------|--|
| 0     | AT   |
| 6     | CY Temporary residence permit  |
| 82    | EE Temporary residence permit for conducting business at a start-up                              |
| 248   | EE Temporary residence permit working at a start-up  |
| 92    | EE Long term visas, where the purpose of the trip is indicated as engaging in start-ups          |
| 18    | FI Residence permit for a start-up entrepreneur  |
| 410   | FR "Talent passport" residence permit, with the mention "qualified employee/ innovative company" |
| 57    | FR "Talent passport" residence permit, with the mention "business creation"                      |
| 57    | FR "Talent passport" residence permit, with the mention "innovative economic project"            |
| 19    | IE   |
| 45    | IT   |
| 28    | LT   |
| 9     | LV   |
| 92    | NL   |
| 8     | PT   |
| 1     | SK   |
| 104   | ES   |
| 315   | UK Graduate Entrepreneur Visa  |
| 1,160 | UK Entrepreneur Visa   |

### FIND OUT MORE

- ▶ **About the study:** [https://ec.europa.eu/home-affairs/content/emn-study-migratory-pathways-start-ups-and-innovative-entrepreneurs-eu\\_en](https://ec.europa.eu/home-affairs/content/emn-study-migratory-pathways-start-ups-and-innovative-entrepreneurs-eu_en)
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