

■ Immigrants, K'CIDADE and entrepreneurial activity

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Abstract This article describes strategies of support for potential entrepreneurs within the K'CIDADE programme, including a description of the training programme and the methodology, which is founded on the assumption of the existence of fundamental personal entrepreneurial competences for entrepreneurial success and on the constructivist model of support for learning.

Keywords entrepreneurial competences, training, methodology, business plan, immigrants.

* K'CIDADE Programme, an initiative of the Aga Khan Foundation in Portugal.

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At the beginning of the 1980s, UNESCO undertook research involving groups of entrepreneurs and control groups from three continents,¹ with the objective of identifying the motivations, attitudes and competences that translated into the so-called entrepreneurial 'spirit'. The result of the research was the definition of a set of competences² that together comprised the entrepreneurial profile, including a liking for autonomy and the motivation to achieve highly difficult objectives and overcome challenges, trusting in their own capacities for work and in the force of their own determination.

Does a person who emigrates and arrives in an unknown country, ready to create a better life for themselves and their families, not by definition possess some of these competences? It can be assumed that entrepreneurial motivations and competences (at least those mentioned) are intrinsic to immigrants. When these personal competences are complemented with the existence of a solid support network among immigrant compatriots - as occurs among the Chinese and Indians, for example - and some conditions favourable to the creation of businesses in the receiving countries, a class of immigrant entrepreneurs can emerge, sometimes within a particular area of business or in a specific region, as has been observed in various countries during the twentieth century.

Instead of immigrants being seen as competition in the labour market, they become entrepreneurs, that is, people who succeed in not only creating jobs for themselves and their family, but also at times creating jobs for others, including citizens of the receiving country. It is in the interest of the immigrants, in the interest of the receiving country and in the interest of the countries of origin, which in many cases receive remittances from their emigrants.

K'CIDADE (Capacity) – The Urban Community Development Programme, an initiative of the Aga Khan Foundation, aims to contribute to the promotion of social integration and the improvement of the quality of life of communities living in the Greater Lisbon Metropolitan Area, namely in disadvantaged districts in the municipalities of Lisbon, Sintra and Amadora. This is to be achieved through sustainable local development initiatives and dynamics, focused on the participation and empowerment of communities, with special emphasis on the immigrant population.

From the beginning of the intervention in 2005, one of the strategic areas³ defined was support for employment and the creation of autonomous economic activi-

ties (self-employment). The Business Creation Programme - PCN, developed and used within K'CIDADE for two years, has recently been reformulated and transformed into the Self-Employment Support Programme, which is based on some basic strategies: the use of active/constructivist methodologies in training courses, support for entrepreneurial potential in the development of a business plan, providing tutoring by experienced entrepreneurs and peer consultancy and/or the formation of mutual support groups.

The Self-Employment Support Programme is fundamentally orientated around the strengthening of personal entrepreneurial competences and the promotion of a critical and systematic reflection on individual conditions and resources in relation to the decision on the economic enterprise to be undertaken.

The methodology of the training modules is based on educational games, simulations and market research, promoting self-knowledge, learning through participation and group discussions, and the reinforcement of motivation and self-confidence for business start-up. In practice, by engaging in activities such as making account necklaces or t-shirts on sheets of paper, the trainees experience the daily challenges of the management of a business in relation to the choice of raw materials, quality control, the rationalisation of fixed costs, decisions of the level of investment and debt, the use of working capital, and so on.

The training is organised into three modules: (1) Entrepreneurial Competences and the Evaluation of Business Ideas, (2) Knowledge of the Market and Marketing Strategies and (3) Organisation of Production/Service Provision Processes and Economic-Financial Viability. At the end of each module, the potential entrepreneurs will have to complete tasks related to the search for the information necessary for the development of their business plans. The results of the research of each trainee and conclusions on strategies for their business are presented and discussed with colleagues, with the participation of two or three entrepreneurs and/or business analysts invited by K'CIDADE.

After the training has been completed, and each trainee has an outline of their business plan, the tutorial phase begins: the future entrepreneur has access to the support of an experienced entrepreneur, who will question the bases of their strategies and orientate their analysis, while providing a source of information about the market and access to useful contacts.

Subsequent to the creation of the businesses, the K'CIDADE Programme incentivises the constitution of mutual support groups among the new entrepreneurs – a process of cross-consultancy in which the participants analyse the causes and identify solutions for the problems of their businesses, with the help of a moderator.

This training and accompaniment process is quite different to the traditional process of transmission of knowledge by descriptive methods or classic consultancy. The potential entrepreneur is the centre of the process, as a creator of knowledge and a decision-maker. This active and participative process exercises critical analysis, active research, analysis of information and the making of a well-founded decision, as well as fundamental entrepreneurial competences such as initiative, assertive communication, persistence and, particularly, judicious risk evaluation.

As various studies indicate, entrepreneurial initiative is nurtured by the existence of solid support networks among people, such as networks formed according to family connections or connections with the community of origin. One of the entrepreneurial competences identified by the UNESCO research mentioned above is the capacity to form and maintain support networks for the realisation of personal projects.

Whenever the potential entrepreneurs are immigrants, of the first or second generation, it can be assumed that, on the one hand, a support network based on the region or ethnicity of origin is probably in existence, yet, on the other hand, that the network could be restricted to people with few resources and limited access to supports (credit, information, consultancy) in the receiving country. Nevertheless, it is always important to use the approach of providing an incentive to the entrepreneurs for the strengthening and the gradual expansion of the support network.

The existence of support networks can facilitate meetings among potential entrepreneurs, and, consequently, the creation of collective economic activities. In various developing countries, new businesses have been supported among groups, sometimes with greater emphasis on groups of women.

The aim is to stimulate or take advantage of opportunities for collective production or service provision, which can be initiated by exploiting the local market and gradually expanding into neighbouring regions, comprising localities where the middle class predominates, with a significant demand for local or domestic services. The expansion of the business will lead to the employment of more people and the creation of more self-employment.

When speaking of collective businesses (companies, cooperatives, and so on) and the immigrant population, we foresee two interesting permutations: businesses constituted by immigrants of the same origin, taking advantage of the existing support network, or by immigrants and national citizens. In the latter situation, the challenge and the opportunity are that of multicultural coexistence, demanding of the group (and of the support programme) that an effort is made in terms of

intercultural learning. Yet it is exciting to imagine the potential of a combination of multicultural experiences, abilities and talents. Is it not worth the challenge of dealing with different values and customs in exchange for the combination of diverse competences?

The various areas of intervention and actions of the K'CIDADE Programme are not isolated from one another – the approach is one of convergence and integration. Supporting immigrants in the creation of self-employment covers more than entrepreneurial management skills or support in the formalisation of activities. We are dealing with people in a peculiar social situation, originating from specific cultures, settling in a receiving context that can be more or less favourable, subject to culture shocks that are more or less intense. Issues such as access to education (in the widest sense), social cohesion and social integration are important. We believe that K'CIDADE, at its conclusion,⁴ will have a rich and vast experience to share on various subjects, among them, the integration of immigrants as valued entrepreneurs.

Notes

¹ The UNESCO research was undertaken in Ecuador, Malawi and India.

² Three sets of competences resulted from the research – achieving competences, systematic planning competences and negotiation competences.

³ Intervention by the K'CIDADE (Capacity) Programme is organised around three strategic focuses: Education, Employment and Citizenship/Social Cohesion. In the area of Employment, it aims to reach increased and sustainable levels of employment/self-employment and income among the most disadvantaged people, through placement in the labour market and the promotion of actions that encourage self-employment/business creation.

⁴ The Programme runs until the end of 2014.