

Business Creation Through Residence Permits: A New Form Of Opportunity Entrepreneurship In Europe

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ABSTRACT

Over the past years, governments in Europe have grown to use immigration policies to bring international entrepreneurs and Start-up founders in order to enhance innovation and competitive capabilities. Start-up visas, entrepreneur residence permits, or investment based residency programs have become strategic policy tools aimed at encouraging business establishment, increasing global talent mobility and knowledge-based economic development. Although their growth has been fast in Europe, little scholarly literature has been done on the effects of such migration policies on opportunity-based entrepreneurship and Start-up ecosystem development. This paper examines the nature of residence based entrepreneurial migration programs in encouraging the formation of business and opportunities entrepreneurship in Europe. Based on comparative research design, the paper will examine policy framework and entrepreneurial performance in four European economies; Estonia, Netherlands, Portugal and Malta. The study combines qualitative analysis of policy and empirical evidence about the topic based on secondary sources of data, such as migration statistics, reports of Start-up ecosystems, and government policy documents. The results imply that Start-up visa and entrepreneur residence-permit programs will be effective to attract foreign entrepreneurs and promote the development of the innovation-based Start-up ecosystem. Those countries that have well developed digital infrastructure, enablement of regulations and vibrant venture capital markets, e.g., Estonia and the Netherlands exhibit greater levels of foreign founder participation and technology based Start-up formation. By contrast, other kinds of investment-based residency programs, including the Golden Visa in Portugal, are largely a driver of capital inflows and investor-led entrepreneurial growth, but not innovation-oriented ventures. The paper has demonstrated the significance of entrepreneurial ecosystems, such as incubators, accelerators, venture capital networks and research institutions, in helping migrant-founded ventures to start and grow effectively. It presents the term residence-permit entrepreneurship that describes the entrepreneurial practice that is supported by migration policies allowing residency with the condition of business establishment or investment. The results give information to policy makers who are willing to develop effective entrepreneurial migration policies to increase innovation and economy.

Keywords: Residence permit entrepreneurship; Start-up visa policy; Migrant entrepreneurship; Entrepreneurial ecosystems; Innovation policy; Europe..

INTRODUCTION:

Background

In modern global economy, nations are also becoming more competitive to ensure they get highly skilled migrants, innovators and entrepreneurs who can help them advance in the field of technology and economic growth. The entrepreneurial competence has been a strategic asset of the knowledge based economy and the governments have devised policies that have made the movement of the founders and Start-up creators cross-border. Here, the focus of entrepreneurship has ceased to be a localized economic phenomenon but a transnational phenomenon influenced by migration regimes, institutional settings, and innovation systems (Terstriep et al., 2023). In a bid to be competitive in the global innovation race, several governments have simplified immigration policies with specific targets of attracting the entrepreneur and investor. Such policies involve start up visas, entrepreneur visas

and residence permits that are investment based and enable the foreign nationals to start businesses in the host countries. These programs have been especially high in Europe, where the migration policy has been increasingly being applied as an economic tool to heighten innovation, employment, and foreign investment. Entrepreneurial migration programmes allow non-EU citizens to receive a residence permit by starting their own innovative businesses, investing capital or developing national economic development policies (OECD, 2019).

During the last 10 years, a number of European nations have launched special programs to attract Start-up founders and technology entrepreneurs. Efforts, including Start-up visa and innovative entrepreneur permits, provide legal access to non-EU nationals to start a business in one of the European Union innovation systems. As an illustration, Finland pioneered a residence permit to the innovative entrepreneurs whose assessment is determined by the growth potential of the suggested business model, and Portugal introduced a Start-up Visa program that

helps foreign founders to move and start an innovative business with the help of incubators (OECD, 2019). These programs are evidence that immigration policy is becoming more consistent with national innovation policies and entrepreneurial ecosystem building.

In this larger policy framework, the Netherlands has introduced a Start-up residence permit that enables non-EU entrepreneurs to establish innovative enterprises in cooperation with well-known facilitators like incubators, advisers, or venture agencies. This scheme allows entrepreneurs to get a one-year residence permit to further their business idea and fit into the local innovator environment. In case the venture proves to be viable and has developmental potential, then the permit may be renewed or changed into a long-term entrepreneur residence permit (De Lange, 2018). Comparable efforts have been made in other countries and include Estonia, France, Portugal and Finland among other countries as a wider European policy of seeking to lure entrepreneurial migrants and enhance national innovation capacity.

Policy Context

Europe-wide, the migration policies of entrepreneurship have become a separate policy area that incorporates aspects of immigration control, innovation policy, and economic development strategy. In contrast to the old channels of migration where the main reason is employment or family reunification, the entrepreneurship migration schemes are based on business establishment, technological advancement, and employment. Such programs may also force applicants to place extensive business plans, provide access to funds, and prove the possible economic benefit of their intended projects (European Migration Network, 2020). European nations have been using various strategies to receive entrepreneurial migrants. Other countries give more priority to Start-up founders who seek innovative and scalable business models, whereas other countries dwell on investment driven residency initiatives which propel foreign capital inflows. Besides this, most of the programs include collaborating with local incubators, accelerators, or innovation agencies that review business ideas and offer mentoring. The aim of such policy frameworks is not just to ensure foreign entrepreneurs get attracted, but also to ensure that they are incorporated into the local entrepreneurial ecosystems and innovation networks (De Lange, 2018).

Problem Statement

Although the increase in migration of entrepreneurs into Europe has happened quite rapidly, scholarly studies have only recently started to consider their macroeconomic and entrepreneurial consequences. Although a lot of literature has been done on immigrant entrepreneurship and migrant economic integration, the role of residence-permit-based entrepreneurship policies as such is still under-studied. Admission of non-EU entrepreneurs is a comparatively underexplored and developing area of migration policy, and its usefulness in promoting sustainable business formation and invention is still poorly comprehended (De Lange, 2018).

Research Questions

Based on these concerns, the following research questions are covered in this study:

What roles does residence-permit policy play in encouraging business formation in Europe among migrant entrepreneurs?

Do migrant entrepreneurs using residence-permit schemes use opportunity or necessity entrepreneurship, or policy incentives?

What are the economic and innovation related effects of residence-permit entrepreneurs operating in host country economies?

Research Objectives

The study aims at answering the following questions:

To analyse the policy frameworks that allow migrants to be entrepreneurs in Europe by allowing them to stay through residence permits.

To test the effectiveness of residence-permit schemes in creating opportunities based businesses by foreign entrepreneurs.

To determine the economic, innovation and ecosystem effects that are produced by entrepreneurial migrants working under such policies.

Contribution of the Study

The study is part of a growing body of research at the meeting point of migration studies, entrepreneurship and policy of innovation. First, it presents a new term known as residence-permit entrepreneurship describing the type of entrepreneurship that is triggered or promoted by migration policies in exchange of business establishment or investment. Second, the literature encompasses the migration policy analysis, international entrepreneurship literature, and entrepreneurial ecosystem theory perspectives in the study to come up with a more holistic view of policy-based entrepreneurial mobility.

This study sheds light on the connection between migration policy and opinion creation, formation of Start-ups, and innovation processes in the host economies by analyzing that residence permits are tools of drawing global entrepreneurial talent to the host.

LITERATURE REVIEW

Hope vs. Necessity Entrepreneurship.

There are two concepts of entrepreneurship opportunity and necessity that are commonly applied in the study of entrepreneurial motivation and economic development due to the historical division of entrepreneurship research between opportunity entrepreneurship and necessity entrepreneurship. Opportunity entrepreneurship is described as the start of businesses in response to seen opportunity in the market, potential innovation, or profit prospects whereas necessity entrepreneurship is seen as starting businesses as a result of having no alternative jobs or necessities to survive economically (Reynolds et al., 2005). This difference has emerged to be focal in the interpretation of economic and social effects of entrepreneurial action in various settings.

Human capital, involvement in innovation and growth ambition is usually described as the higher levels of

opportunity entrepreneurs. They are the keen market exploring ones, launch innovative products or services and ensure economic productivity and employment. Conversely, necessity entrepreneurs usually work in informal or low-growth industries, and primarily target subsistence and income security as opposed to innovation or growth ([Acs, Desai, and Hessels, 2008](#)). Experiments on data provided by the Global Entrepreneurship Monitor (GEM) indicate repeatedly that with increased opportunity entrepreneurship in an economy, innovation performance and economic growth are greater ([Reynolds et al., 2005](#)).

The opportunity and necessity entrepreneurship come into a very specific context in the case of migration. Migrant entrepreneurship can be followed in terms of taking advantage of cross-border business opportunities, as well as a reaction to the barriers to labor markets in the host countries. Recent studies indicate that policy regimes like Start-up visas and entrepreneur residence permits gain popularity among opportunity-driven migrant entrepreneurs, in particular, the ones involved in technology Start-ups and innovative-oriented businesses ([OECD, 2019](#)).

Migration and Entrepreneurship

Migration and entrepreneurship Migration and entrepreneurship is a widely researched topic in economic sociology, migration studies, and international business. Migrant entrepreneurship is the process of starting and running of business by people who are migrants in a country of origin to a foreign country ([Light and Gold, 2000](#)). Migrant entrepreneurs tend to have a great contribution to local economies in terms of employment opportunities, innovation boosting, and international trade routes.

One of the main causes of migrant entrepreneurship is the presence of the so-called diaspora networks, which make the financial resources, market knowledge, transnational business networks, available. Diaspora communities are capable of facilitating cross-border trade and transfer of technology and investment flows and as a result, migrant entrepreneurs can capitalize on opportunities that cut across geographical markets ([Brinkerhoff, 2009](#)). It is these transnational networks that in most cases give them a competitive edge as the home-country and host-country markets are connected with the entrepreneur.

The institutional environments are also important in influencing migrant entrepreneur. Migration regulations, availability of finance, policies of integration of the labor market, and immigration control affect the capacity of the migrants to establish and maintain businesses ([Kloosterman and Rath, 2001](#)). The mixed embeddedness model proposes that the interaction between personal resources (i.e., education, skills, and networks) and the structural characteristics of the host economy defines the migrant entrepreneurial outcomes ([Kloosterman and Rath, 2001](#)). In this regard, the policies of government that are aimed at attracting migrant entrepreneurs can play a major part in the establishment and prosperity of the new ventures.

Policy-Driven Entrepreneurship

The past few years have seen governments throughout the globe begin appreciating entrepreneurship as a major economic development, innovation, as well as competitiveness driver. This has led to policy interventions by most countries to encourage entrepreneurship within their borders which include tax breaks, innovation grants, Start-up incubators and regulatory reforms. Out of these policy tools, one of the aspects that have become prominent in attracting global talent and investment is the entrepreneurial migration programs ([OECD, 2019](#)).

Policy-driven entrepreneurship is the kind of entrepreneurial activity that is influenced by government policies or other institutional incentives. Migration policies that focus on entrepreneurs including Start-up visas, entrepreneur visas and investment residence permits are a developing type of policy intervention aimed at spurring business creation and innovation. In such programs, the applicants are usually expected to provide new business concepts, prove financial ability, and participate in the economic development missions of the host country ([European Migration Network, 2020](#)).

The creation of Start-up visa programs around the world is just part of a larger trend of government competitiveness in terms of attracting highly skilled entrepreneurs and technology innovators. The United States, Canada, Singapore and some European countries have already launched immigration programs that address Start-up founders directly. Such initiatives serve to boost national systems of innovation by creating foreign entrepreneur links inside domestic ecosystems of research institutions, venture capitalists, and technology platforms ([OECD, 2019](#)).

Europe Start-up Visa and Residence Permit Policies

The Start-up Visa program, which was launched in Estonia in 2017, enables the non-EU entrepreneurs to receive the residence permits during up to five years in case their Start-up proves sufficient growth opportunities and abilities to innovate ([OECD, 2019](#)). The digital governance architecture and vibrant technology hub in Estonia has enhanced its appeal to foreign Start-up founders. Equally, Start-up Residence Programme in Malta allows non-EU entrepreneurs to develop innovative Start-ups in the areas of technology, digital services and knowledge-based industries. The initiative offers residence permits to the founders and the key employees along with access to the business support infrastructure of Malta ([European Migration Network, 2020](#)).

The other popular program is the Golden Visa of Portugal that permits foreign citizens to receive residency by investing in business ventures, innovation initiatives or other economically productive activities that create jobs and the economy. The scheme of investment-based residency has brought in massive foreign investment and Start-up in the country, especially in the fields of technology, real estate, and tourism ([OECD, 2019](#)).

Global Talent Mobility and Entrepreneurial Ecosystems

The effectiveness of the entrepreneurial migration programs is not only limited to the design of the policies but it also relies on the effectiveness of the entrepreneurial

ecosystem in the country where the migrants are expected. Entrepreneurial ecosystems are made up of networks, organizations, and institutions which contribute to the formation and development of new ventures. These ecosystems are generally universities, research centers, Start-up incubators, venture capital companies, government agencies, and innovation centers ([Stam, 2015](#)).

International movement of talent has increased competition between nations in the quest to gain access to innovative entrepreneurship and high-growth Start-ups. Start-up visa programs and entrepreneur residence permits are becoming more widely considered by governments as methods of enhancing national systems of innovation and becoming more globally competitive. The international founders attracting countries can improve the level of knowledge sharing, technological development, and economic diversification ([Stam, 2015](#); [OECD, 2019](#)).

Research Gaps

Regardless of the increased significance of entrepreneurial migration programs in Europe, there are a number of significant research gaps. To begin with, little empirical data exists on the motives of the migrating entrepreneurs taking part in Start-up visa or residence-permit programs. Although a number of studies claim that these entrepreneurs are opportunity-driven innovators, there are claims that migration incentives themselves can be very important in influencing the entrepreneurial decisions.

Second, the business performance and outcomes of visa-based entrepreneurs are not researched enough. Current research has tended to concentrate on policies design as opposed to assessing if such programs are effective in creating sustainable Start-ups, jobs, or technology.

Third, the economic effects of the entrepreneurial migration policies in the long-term are unclear. Despite the fact that the programs are supposed to support the national innovation ecosystems and attract the global talent, the comparison of their economic effectiveness across countries is not yet conducted systematically.

To fill these gaps, it is important to address how residence-permit-based entrepreneurship can help to achieve the innovation, economic development, and international mobility of entrepreneurs in Europe.

METHODOLOGY

Research Design

The paper will use the comparative mixed-method research design to investigate the effect of the policy of residence permits on opportunity entrepreneurship and business formation in Europe. Mixed-method methods represent a combination of qualitative and quantitative research to give a more detailed insight into the complex phenomena of policies, especially when it comes to countries with different institutional structures and entrepreneurial performance ([Creswell and Creswell, 2018](#)).

The study combines a comparative policy analysis with empirical research. The comparison policy analysis is relevant as the programs of the Start-up visa and

entrepreneur residence-permit vary greatly among European countries in the ways of eligibility, assessment processes, and the economic goals. The study will compare various national policy frameworks with the aim of identifying the general patterns in policies and evaluating their level of effectiveness in supporting opportunity-driven entrepreneurship ([OECD, 2019](#)).

The research design is the multi-country comparative study that examines the chosen European nations which have organized a formal program of Start-up visa or residence-permit of entrepreneurs. Migration and entrepreneurship studies extensively use such comparative designs to interpret the effect of institutional context in an entrepreneurial performance ([Kloosterman and Rath, 2001](#)).

Data Sources

The paper draws on primary and secondary sources of data to make certain methodological soundness and triangulation.

Primary Data

Primary data will be obtained in the form of semi-structured interviews with migrant entrepreneurs and founders of Start-ups who have received residence permits on the basis of entrepreneurial migration programs. Semi-structured interviews enable the researcher to delve into the researcher motivations of the entrepreneurship, migration, and development mechanisms of the business within a similar interviewing structure among the respondents ([Bryman, 2016](#)). In the research of entrepreneurship, survey is the most common method to gather standardized data on many respondents and allow its statistical analysis ([Creswell & Creswell, 2018](#)).

Secondary Data

Policy frameworks and more global economic outcomes linked to entrepreneurial migration programs on the policy level are analyzed using secondary data sources.

Migration Network

The variety of data sources contributes to the strength of the study as it is possible to conduct data triangulation and verify the results with the different types of evidence ([Yin, 2018](#)).

Sample Selection

The study is based on a set of case studies of European nations with formally introduced Start-up visa or entrepreneur residence-permit programs. Comparative policy research usually relies on purposeful sampling to choose cases that produce significant variance in institutional structure and policy enactment ([Yin, 2018](#)). The chosen countries are:

Estonia - Estonia is known to have a Start-up Visa program and the digital entrepreneurship ecosystem.

Portugal - familiar with the Start-up Visa and investment-based residency programs.

Netherlands - providing a Start-up residence permit, but with a requirement of having to work with acknowledged facilitators.

France - that runs the French Tech Visa program of innovative entrepreneurs.

Germany - a country offering entrepreneur residence permits as a part of its business immigration program.

Malta - is a country that has applied a Start-up Residence Programme to innovative technology companies.

Analytical Methods

The current research uses several types of complementary analytical tools that help to determine the connection between residence-permit policies and entrepreneurial activity.

Policy Analysis

The analysis of the design, eligibility, and objectives of entrepreneurial migration programs in the respective countries is done using policy analysis. This approach will allow detecting commonalities and distinctions in the regulatory frameworks and policy instruments applied to attract foreign entrepreneurs (OECD, 2019).

Comparative Institutional Analysis

The comparative institutional analysis is put into use to determine the effects of various national policy environments and institutional structures on the performance of entrepreneurs. This strategy concerns the interplay between the migration policy, the innovation systems and entrepreneurial systems in different countries (Kloosterman and Rath, 2001).

Thematic Analysis

The data of qualitative interviews is analyzed through thematic analysis, which is the approach that presupposes the detection of the recurring themes, patterns, and ideas in the data of qualitative interviews. Thematic analysis would be particularly suitable in examining the motivations to be an entrepreneur, policy experiences, as well as challenges of integration that migrant entrepreneurs encounter (Braun and Clarke, 2006).

Quantitative Analysis

Descriptive statistics and regression analysis could be used in the analysis of relations between variables of the policy, entrepreneurial motivations and business results where there are survey data available. Regression models can be used to determine whether policy variables including visa requirements, ecosystem support, or financial needs have a significant role in the Start-up performance variables including the creation of employment, revenue growth, or innovation activity.

Case Studies

This chapter reviews a few European entrepreneurial migration initiatives under some comparative case-study method. The discussion targets those nations who have put in place organized Start-up visa or residence-permit systems to entice foreign entrepreneurs and investors. The study analyzes the impacts of residence-permit programs on business creation and innovation systems by looking at the policy design, institutional support mechanisms and outcomes of the programs in various countries. The chosen examples Estonia, the Netherlands, Portugal, and

Malta are the different approaches to the migration of entrepreneurs in Europe.

Estonia Visa Program Start-up

Estonia has become one of the most attractive locations of digital entrepreneurs in Europe with highly developed digital infrastructure and pro-innovative environment. The Estonian Start-up Visa program was the product of the 2017 program, the task of which was to attract non-EU founders who are oriented to developing scalable and innovative technology Start-ups in the country. Within the framework of this program, entrepreneurs will be able to receive a temporary residence within a period of five years in case their Start-up idea is rated positively by the national Start-up Committee which evaluates the potential of innovation and scalability (OECD, 2019).

The digital governance model of Estonia has a powerful impact on the entrepreneurial ecosystem of the country and consists of such projects as e-Residency, digital public services, and a friendly regulatory environment toward Start-ups. The nation has given rise to some of the most well-known technology firms in the world, such as Skype, Bolt and Wise, which have helped in making the nation a leading European Start-up centre. The Start-up Visa program also makes foreign entrepreneurs a part of this ecosystem, by granting them to incubators, accelerators and venture capital networks as well as digital infrastructure (European Migration Network, 2020).

There is empirical data that indicates that the program has increased the size of the technology Start-up ecosystem in Estonia by bringing international founders and leading to international entrepreneurial cooperation. The industries that foreign entrepreneurs enter Estonia with the help of the Start-up Visa program are usually associated with the fintech, artificial intelligence, software development, and digital services, which helps to position the country in the international digital economy.

Start-up residence permits in Netherlands

In 2015, the Netherlands launched the Start-up Residence Permit to specify the innovative non-EU entrepreneurs and introduce them to the dynamic Start-up environment of the Netherlands. One particularity of this program is that the business owners must cooperate with a certified facilitator, who may be a Start-up incubator, accelerator, mentor, or venture capital organization. The facilitator offers guidance, mentorship, and networking to ensure that entrepreneurs come up with viable business models and launch their businesses effectively (De Lange, 2018).

The Dutch Immigration and Naturalisation Service examine the applications on the basis of the innovativeness of the business idea that has been proposed and the credibility of the facilitator alliance. The entrepreneurs are given a 1-year residence permit at the beginning of which they have to work out and execute their business plan. In case the business proves to be economically viable and capable of growth, the entrepreneur can shift to a self-employment residence permit that is long-term.

The Netherlands also enjoys a well-established entrepreneurial ecosystem, especially in Amsterdam, Rotterdam and Eindhoven. In these regions, there are

many tech clusters, research centers, and venture capital companies to assist in the growth of Start-ups. The Start-up residence permit program has thus succeeded in bringing in creative entrepreneurs that enhance the industries like fintech, online platforms, and biotechnology and sustainability technologies.

Portugal Golden Visa and Investment in business

Portugal has taken an alternative route to the migration of entrepreneurs by the so-called Golden Visa program, which is formally referred to as Residence Permit Investment Activity (ARI). This program was introduced in 2012 and it gives foreign investors the right to receive residency when making qualifying investments in the Portuguese economy. Although the program has since evolved to cover real estate investment, it has also included those options that touch on business creation, venture capital investment, and innovation-driven entrepreneurship (OECD, 2019).

The foreign investors can access the Portuguese market and the rest of the European Union by being allowed into the country through the investment of Start-up funds, technology ventures, or business development projects which will provide them with the residence permits. It is a policy that has drawn in massive international investment and entrepreneurship especially in areas like tourism, technology, renewable energy and digital services.

Portugal has also introduced other initiatives that go hand in hand like the Start-up Visa program which specifically focuses on innovative entrepreneurs who would like to set up technology based enterprise in Portuguese incubators. Combined, these programs have reinforced the reputation of Portugal as an emerging European Start-up hub, with cities like Lisbon and Porto attracting intensely growing Start-up systems over the past few years.

Residences Programme Malta Start-up Residence Programme

Start-up Residence Programme is one of the strategies used by Malta to establish itself as an amenable global destination to international entrepreneurs. The program offers residence permits to non-EU Start-up founders and key employees in the creation of innovative enterprises in the fields of information technology, digital services, fintech, and knowledge-based sectors (European Migration Network, 2020).

Comparative Analysis

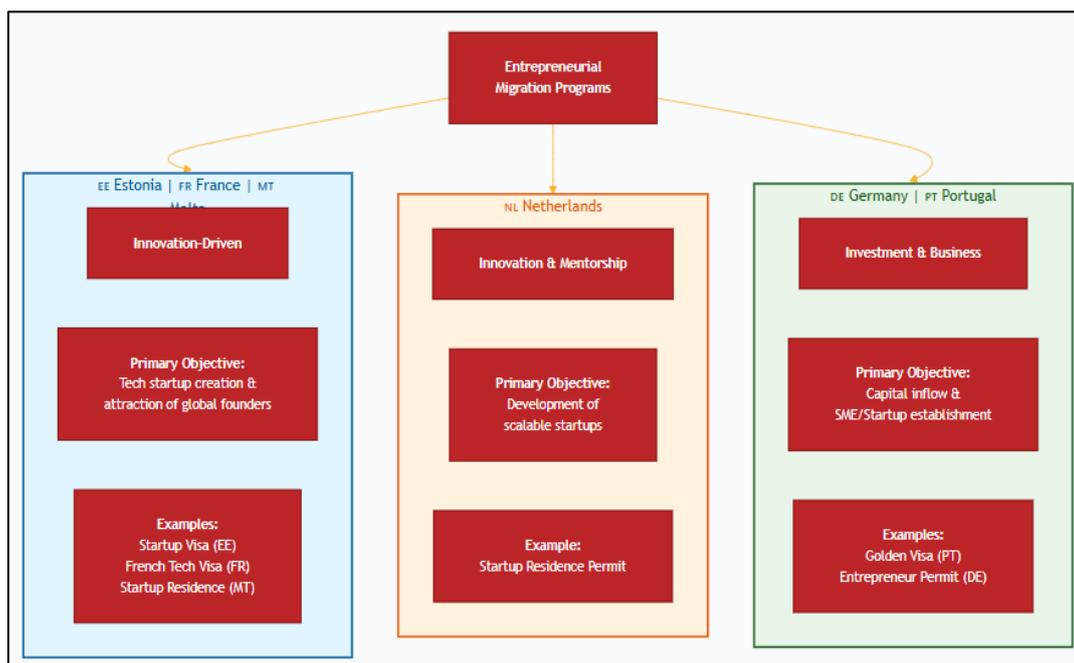
Based on a comparative analysis of the entrepreneurial migration programs in Estonia, Netherlands, Portugal, and Malta, it is possible to identify significant changes in the policy design, institutional support systems, and economic performance. Nevertheless, the effectiveness of these programs can be evaluated by a number of common indicators.

RESULTS AND FINDINGS

The results of comparative study of the entrepreneurial migration programs in the selected European nations are offered in this section. The findings are based on the discussion of policy reports, migration data, reports on Start-up ecosystems and accessible secondary data about the formation of the Start-ups and entrepreneurship. Their results center on four indicators, namely, Start-up creation, participation of foreign founders, job creation and attracting venture capital.

New Business Development under Residence- Permit Programs

Promotion of new businesses among foreign entrepreneurs is one of the major aims of Start-up visa and entrepreneur residence-permit programs. The review suggests that those nations that have well-established Start-up environments with favorable policy frameworks have had more Start-ups established by migrant entrepreneurs.



As an illustration, the Start-up Visa program in Estonia has helped to boost the size of the digital Start-up ecosystem in the country by drawing international founders to the field, including fintech, artificial intelligence, and software development. Likewise, in the Netherlands, the number of foreign founded Start-ups has been steadily growing because of the facilitator-based Start-up residence permit system and good innovation infrastructure.

The investment-led residency programs in Portugal have triggered the entrepreneurial activity by both creating Start-ups and investing in the venture capital. In the meantime, Start-up Residence Programme has brought smaller yet increasingly popular swarms of technology-centered Start-ups to Malta especially in the digital services and fintech sectors.

Table 1
Policy Orientation of Entrepreneurial Migration Programs

Country	Main Program Type	Policy Orientation	Primary Objective
Estonia	Startup Visa	Innovation-driven	Technology startup creation
Netherlands	Startup Residence Permit	Innovation & mentorship	Development of scalable startups
Portugal	Golden Visa / Startup Visa	Investment & entrepreneurship	Capital inflow and business investment
France	French Tech Visa	Innovation-focused	Attraction of global tech founders
Germany	Entrepreneur Residence Permit	Business development	SME and startup establishment
Malta	Startup Residence Programme	Innovation-oriented	Attraction of technology startups

The findings are that Start-up visa programs centered on the areas of innovation and technology are more likely to produce better entrepreneurial effects than an all-investment based residency program.

Foreign Founder Participation

Another significant indicator of the success of residence-permit policies is foreign participation of entrepreneurs. Those countries that have a good entrepreneurial ecosystem and favorable regulatory systems have been more successful in attracting international founders.

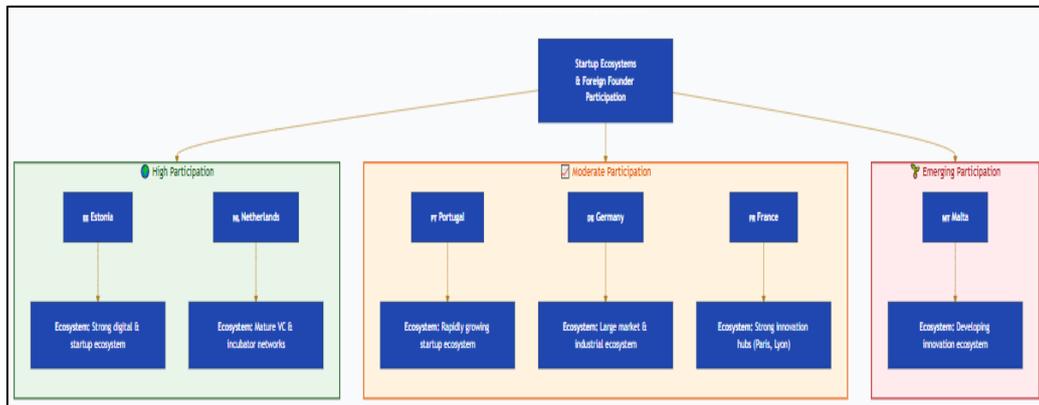


Table 2
Foreign Founder Participation in Selected Startup Ecosystems

Country	Level of Foreign Founder Participation	Ecosystem Strength
Estonia	High	Strong digital and startup ecosystem
Netherlands	High	Mature venture capital and incubator networks
Portugal	Moderate	Rapidly growing startup ecosystem
France	Moderate to High	Strong innovation hubs (Paris, Lyon)
Germany	Moderate	Large market and industrial ecosystem
Malta	Emerging	Developing innovation ecosystem

Estonia and Netherlands have shown the highest rates of foreign involvement in start up ecosystems. The number of newly formed technology Start-ups with significant shares of international entrepreneurs has been high in Estonia, which is an indication of the open digital economy and the Start-up-focused society that is globally oriented. On the same note, there are many Start-ups that have been started or co-founded by non-EU entrepreneurs in Amsterdam and other Dutch innovation hubs. International founders also find Portugal and Malta attractive, but their programs are rather a mix of entrepreneurship and more general investment migration policies. The results emphasize the significance of policy-making and ecosystem management in drawing in foreign entrepreneurial talent.

Creation of Jobs and Economic Reimbursement

Entrepreneurial migration programs are also likely to help in creation of employment and economic growth. Migrant entrepreneurs can establish high-growth businesses that have a huge potential in providing jobs in technology and knowledge-based economy.

Technology Start-ups that are initiated by international entrepreneurs in Estonia and the Netherlands have helped to generate employment in software development, digital services and fintech sectors. The Start-up ecosystem in Portugal has also had the benefit of creating jobs especially in tourism technology and in digital innovation. Start-up Residence Programme is a comparatively new initiative in Malta which, nevertheless, has started to generate employment in the technology sphere of the country.

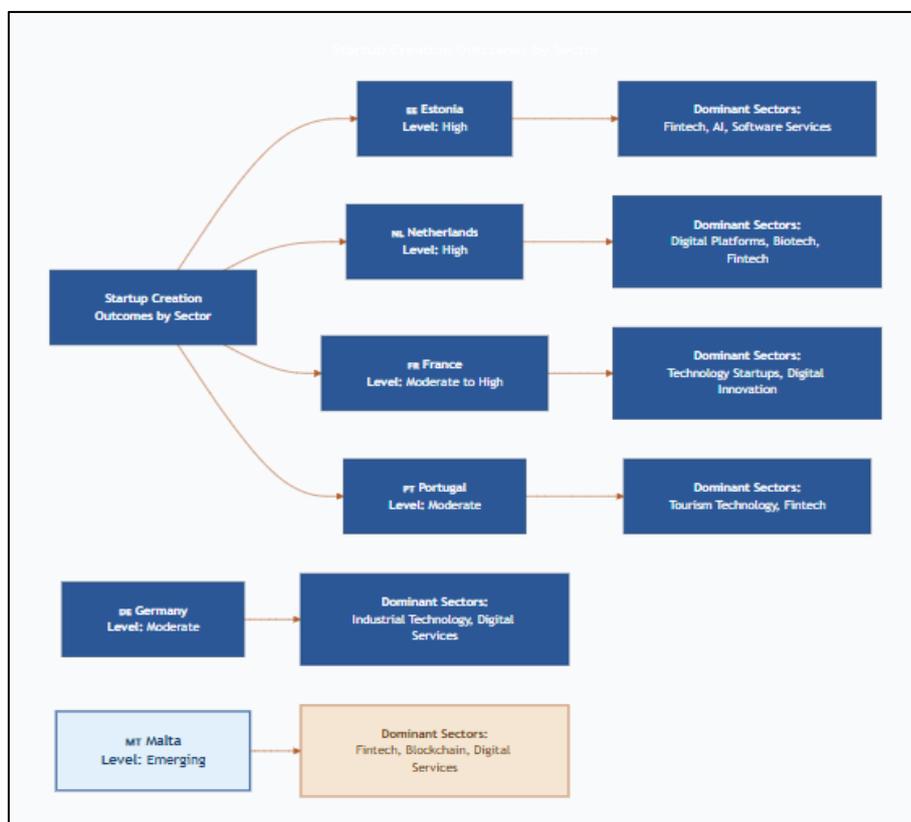


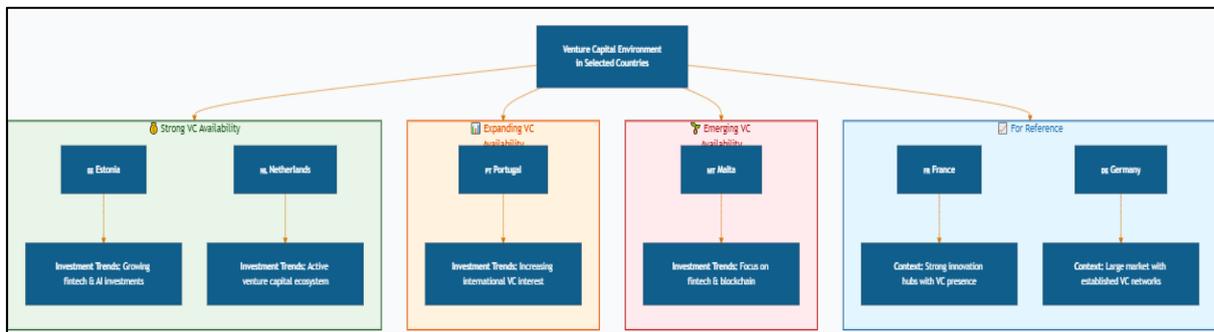
Table 3
Startup Creation Outcomes by Sector

Country	Dominant Startup Sectors	Level of Startup Creation
Estonia	Fintech, AI, software services	High
Netherlands	Digital platforms, biotech, fintech	High
Portugal	Tourism technology, fintech	Moderate
France	Technology startups, digital innovation	Moderate to High
Germany	Industrial technology, digital services	Moderate
Malta	Fintech, blockchain, digital services	Emerging

The findings indicate that migrant-owned Start-ups do not just lead to job creation but also knowledge transfer and growth in terms of innovation in the host economies.

Venture Capital Attraction

Venture capital funds will be crucial to the progress and innovation of the Start-ups. The countries that have established venture capital environments are the ones that are likely to draw more high growth Start-ups and foreign entrepreneurs.



In Estonia and the Netherlands, there is a developed network of venture capital and Start-up accelerator organizations that offer financial services to Start-up firms. The start-up ecosystem in Portugal has been registering a booming venture capital investment over the last few years, especially after the growth of the start-up incubator and innovation hubs in Lisbon. Despite being smaller, Malta has also received venture capital in other areas like Fintech and blockchain technology.

Table 4

Venture Capital Environment in Selected Countries

Country	Venture Capital Availability	Startup Investment Trends
Estonia	Strong	Growing fintech and AI investments
Netherlands	Strong	Active venture capital ecosystem
Portugal	Expanding	Increasing international VC interest
Malta	Emerging	Focus on fintech and blockchain

The results suggest that the availability of venture capital is a key factor contributing to the overall effectiveness of the entrepreneurship migration programs as it helps the Start-ups to grow and become international.

KEY FINDINGS

The comparative study shows some significant results:

Strong innovation ecosystems can make Start-up visa programs and residence-preferred programs useful to draw opportunity-driven entrepreneurs.

Entrepreneurial performance is better in countries with higher digital infrastructure, as well as networks of support to Start-ups, like Estonia or the Netherlands.

Investment-based residency schemes, like the Golden Visa of Portugal, are a contributor to entrepreneurship, but are more focused on capital inflows over innovation-focused Start-ups.

Entrepreneurial migration schemes play a role in generating employment, transfer of knowledge and innovation; especially in technology intensive industries.

Venture capital and incubator networks access are also important determinants of success of Start-ups founded by migrants.

DISCUSSION

The results of this research point out to the increased significance of the entrepreneurial migration policies as economic development and innovation tools in Europe. Governments have come to rely on Start-up visas, entrepreneur residence permits, and investment based residency programs as the main instruments of strategic policy to bring international entrepreneurial talent and generate business. The comparison of Estonia, the Netherlands, Portugal, and Malta has shown that the programs can play an important role in the formation of Start-ups, creating jobs, and developing an innovation ecosystem.

Among the most important lessons presented by the analysis, it is possible to note that policy design has a powerful impact on entrepreneurial performance. Countries like Estonia and Netherlands that focus on innovation potential, scalability and integration with ecosystems are more likely to have opportunity driven entrepreneurs who come up with technology based start-ups. Such entrepreneurs tend to be working in fintech, artificial intelligence and online platforms, which are also knowledge-creating and technologically evolving industries. The observation contributes to the argument that the success of migrant entrepreneurship is determined by institutional structures and entrepreneurial ecosystems (Kloosterman and Rath, 2001; Stam, 2015).

Venture capital networks, Start-up incubators, research institutions, and technology clusters are important factors that facilitate the introduction and growth of foreign venture by foreign entrepreneurs. Strong ecosystems in countries make mentorship, funding, and business networks more accessible and hence the more likely the Start-up will survive and grow (Stam, 2015). Therefore, the immigration policy cannot be isolated but should be accompanied by the more general strategies of the development of the ecosystem.

Another significant role attributed to the migrant entrepreneurs in the study is the fact that they can provide jobs, spread of innovations, and connection with the global market. Foreign founders often carry with them a wide range of knowledge, international networks, and cross-border markets and this contributes to the competitiveness of host economies. These results are consistent with the past studies that have shown that the migrant entrepreneurs tend to have a significant impact on technological innovations and internationalization of companies (Light and Gold, 2000).

CONCLUSION AND FUTURE SCOPE

The paper has investigated how residence-permit-based entrepreneurship programs help in fostering business formation and opportunity entrepreneurship in Europe. The study used a comparative approach of examining the entrepreneurial migration policies in Estonia, the Netherlands, Portugal and Malta to investigate the impact of immigration models targeting entrepreneurs on the formation of Start-ups, their economic contribution and on the ecosystem of innovations.

The results suggest that entrepreneurial residence permits and Start-up visa schemes are a new type of opportunity entrepreneurship based on policies, migration policies positively influence the availability of global entrepreneurial talent. Nations that have carefully designed Start-up visa schemes and innovation platforms have been especially effective in luring foreign founders

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that assist in the advancement of technology, employment, and the economy.

The analysis also shows that the success of such programs relies on a number of factors such as policy design, ecosystem support, access to venture capital as well as integration of foreign entrepreneurs into the local innovation networks. The programs that would put more stress on the potential of innovations and connecting with incubators and accelerators are more inclined to produce more successful entrepreneurial results than the ones with the emphasis on the migration of investments.

In spite of these good effects, there are other setbacks of the entrepreneurial migration policies. Among them, there are the complexity of regulations, the difference in eligibility criteria in different countries, and the lack of empirical research on the long-term economic effects. In addition, the viability and sustainability of Start-ups founded by migrants demand further access to funding, talent and favorable regulatory practices.

Future Research Directions

The areas of interest in future studies would help to understand entrepreneurial migration and residence-permit entrepreneurship in more detail.

To begin with, longitudinal research is required to investigate the performance and survival of Start-ups started by migrant entrepreneurs who have been offered residence permits on a long-term basis.

Second, in subsequent studies it might be valuable to examine the entrepreneurial motives and decision making of migrant founders in Start-up visa programs.

Third, a comparative study of various regions of the world such as North America, Asia and Oceania would assist in establishing the best practices in entrepreneurial migration policies and understand the effects of various institutional settings in outcomes.

Lastly, the interplay of migration and regional innovation systems in emerging technology areas and industries (such as artificial intelligence, biotechnology, and green technologies), might be investigated in future research..

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