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EXPATRIATE ENTREPRENEURSHIP: START-UP VISAS AND INCUBATORS

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Principle Topic

In the last four years, policymakers have launched ambitious expatriate entrepreneurship programs to attract foreign high-potential entrepreneurs and their ventures (Smale, 2015). These programs include “start-up visas” (Wiens, 2014) and, since 2010, incubators that specialize in assisting high-potential foreign entrepreneurs who obtain a start-up visa due to their selection into an incubator program. Start-up visa programs aim to attract “expatriate entrepreneurs” (definition: individuals who engage in cross-border migration in order to exploit a business opportunity in an entrepreneurial ecosystem that is ideal for the venture and whose expatriation decision is not affected by the desire to obtain residency in another country) who will launch new ventures in the host country by providing the entrepreneurs with legal residence for a limited time; visa and residence extension are conditional on venture growth. These programs’ rapid development and growth is a testament to the fierce global competition to attract entrepreneurs: entrepreneurs who are willing to expatriate can choose among many attractive entrepreneurial ecosystems and ultimately relocate to the country they perceive to be the best fit for their ventures. We begin by reporting fourteen OECD countries offer expatriate entrepreneur start-up visas: Australia, Canada, Chile, Denmark, Finland, Germany, Ireland, Italy, the Netherlands, New Zealand, Spain, South-Korea, Sweden, and the United Kingdom. Five countries with start-up visas additionally launched publicly-financed programs that closely resemble incubators and accelerators that specialize in providing an incubation environment for expatriate entrepreneurs who are selected to the programs: Start-Up Chile, Launchpad Denmark, NewCo Factory (Finland), Sirius (United Kingdom), and French Tech Ticket.

Method

We suggest a typology of three types of programs. We utilize cross-case analysis of four incubator cases, including archival material, structured questionnaires, and observations to put forward five theory-based propositions.

Results/Implications

Our research presents a typology of existing start-up visa programs and highlights the role of institutional logics, including path dependence, ecosystems, and social embeddedness in explaining the development of expatriate entrepreneurship policies. We expect more countries to enact similar expatriate entrepreneurship legislation. For example, the U.S. has a start-up visa bill under discussion in Congress and the Senate since 2011. Expatriate entrepreneurship is an exciting phenomenon ripe for further research which can then lead to better policy and practice outcomes.

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