



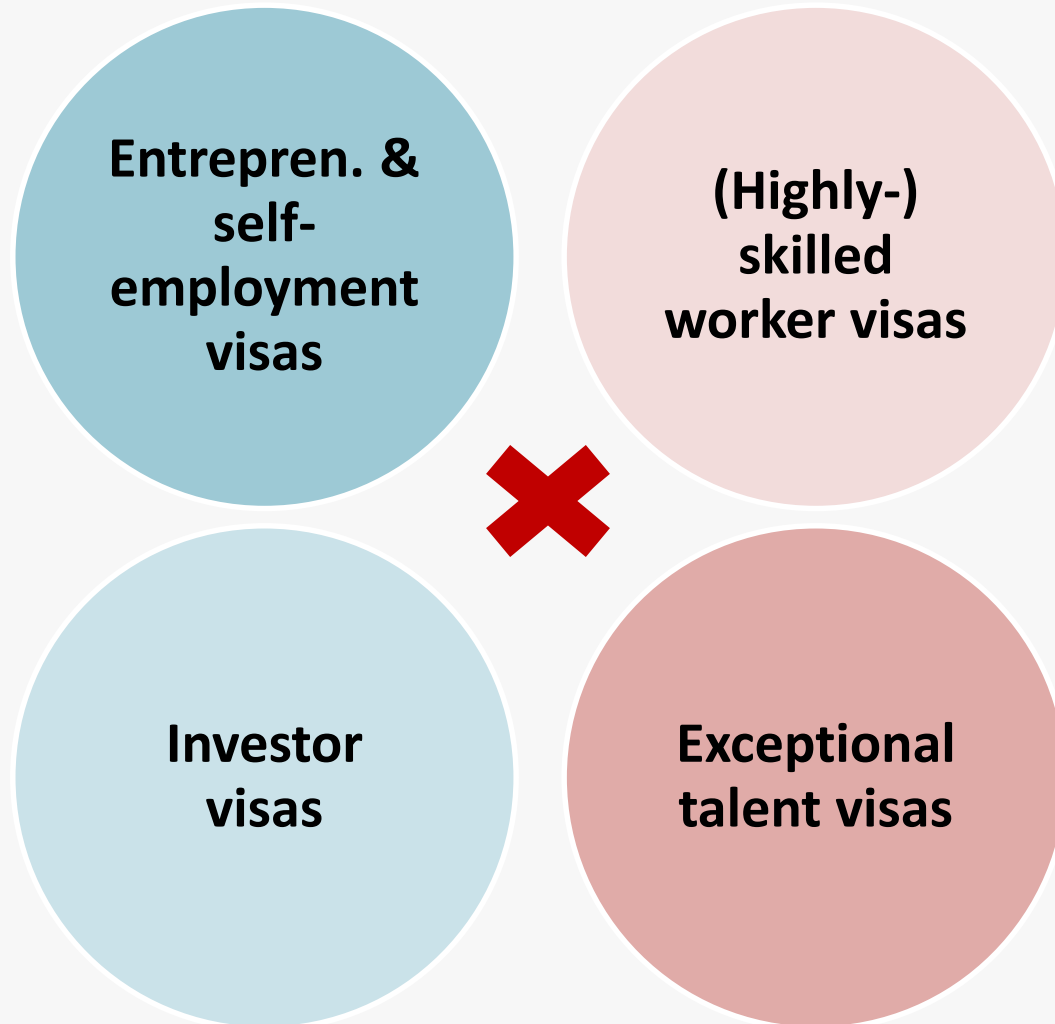
Start-up Visas: A Passport for Innovation and Growth?

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Dublin, Ireland, 29 January 2020

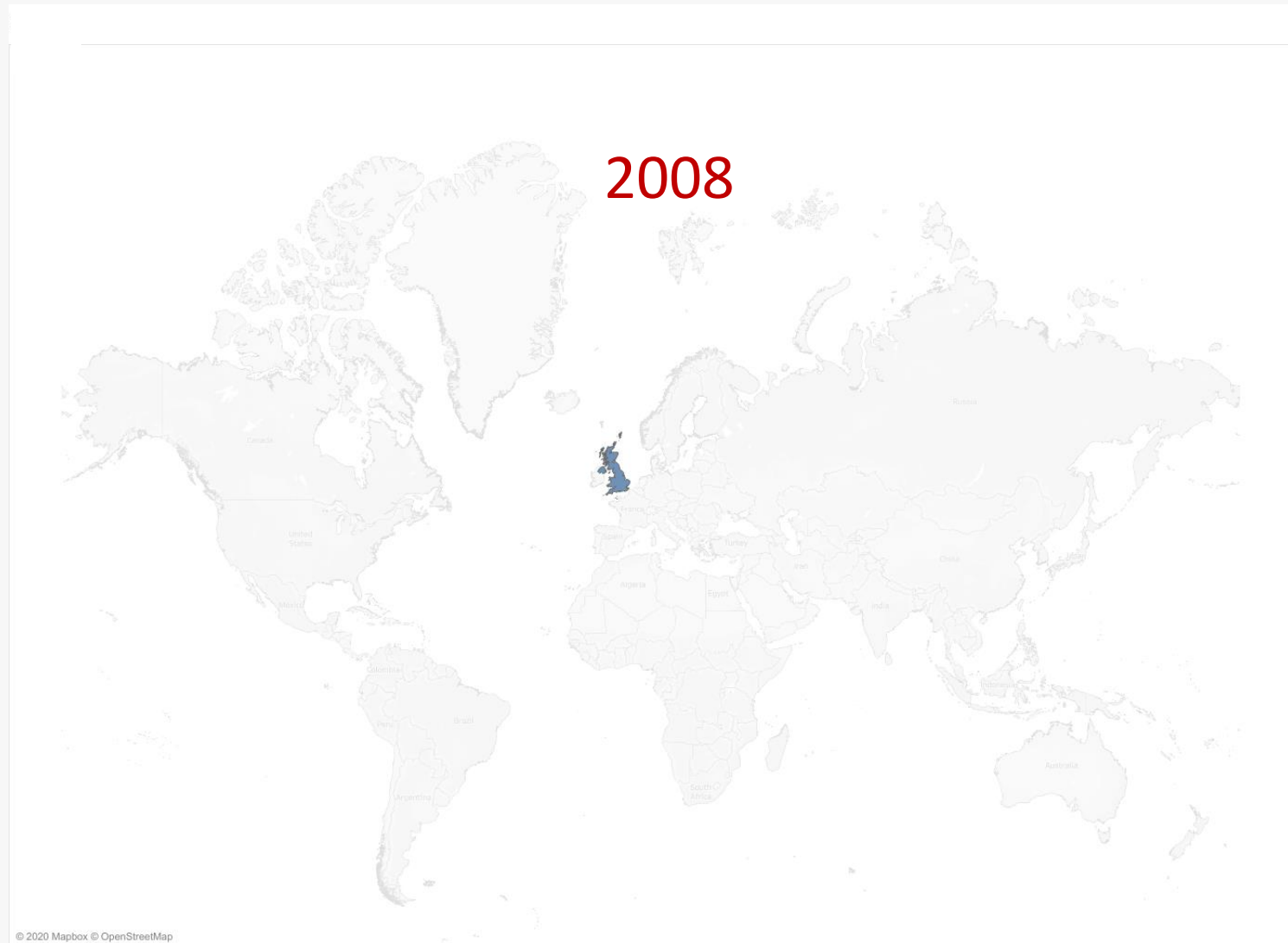
The “niche” for start-up visas



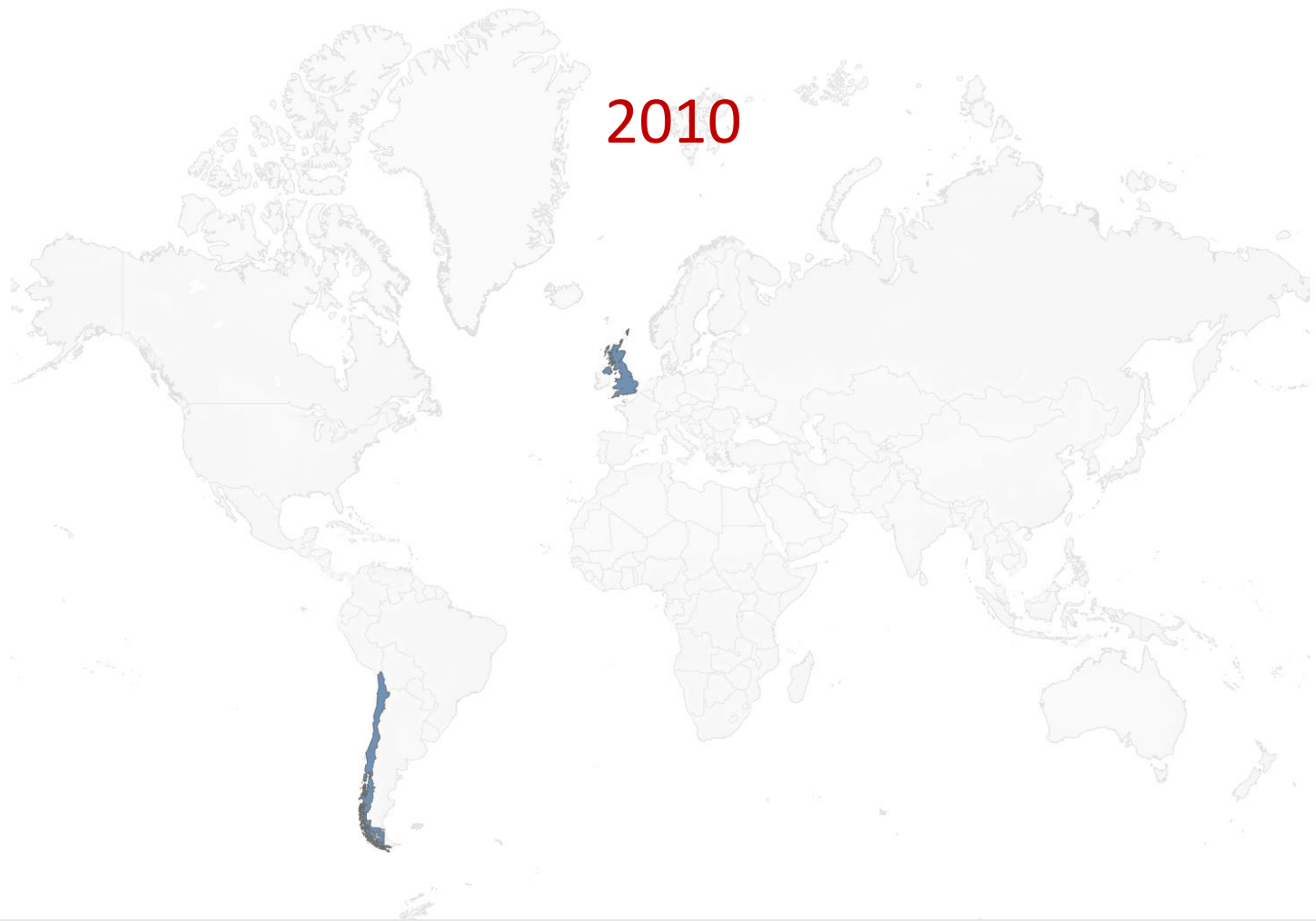
The “niche” for start-up visas

- **Entrepreneur visas** often come with **capital** and/or **job creation** requirements, **business experience** criteria, require fully formed business plan
- **Self-employment visas** tend to require **fully formed business plan**, no emphasis on innovation
- **Investor visas** have **high capital** requirements (>1 million USD), previous experience and **investment track record**
- **Highly-skilled visas** usually tied to a **job offer** and **employer**, rigidly defined human capital criteria
- **Talent visas** selecting on the basis of exceptional **past achievements**

A crowded field...



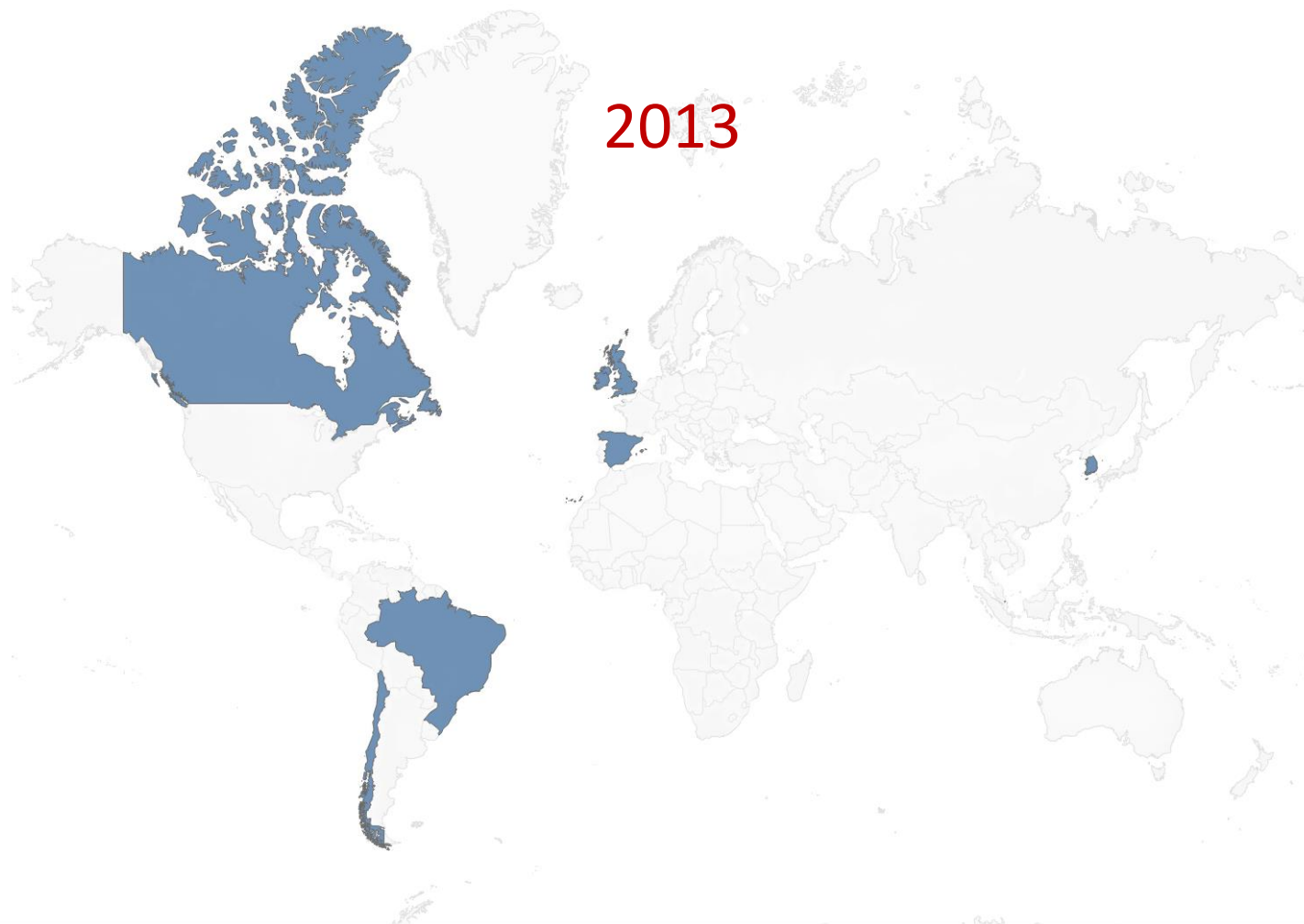
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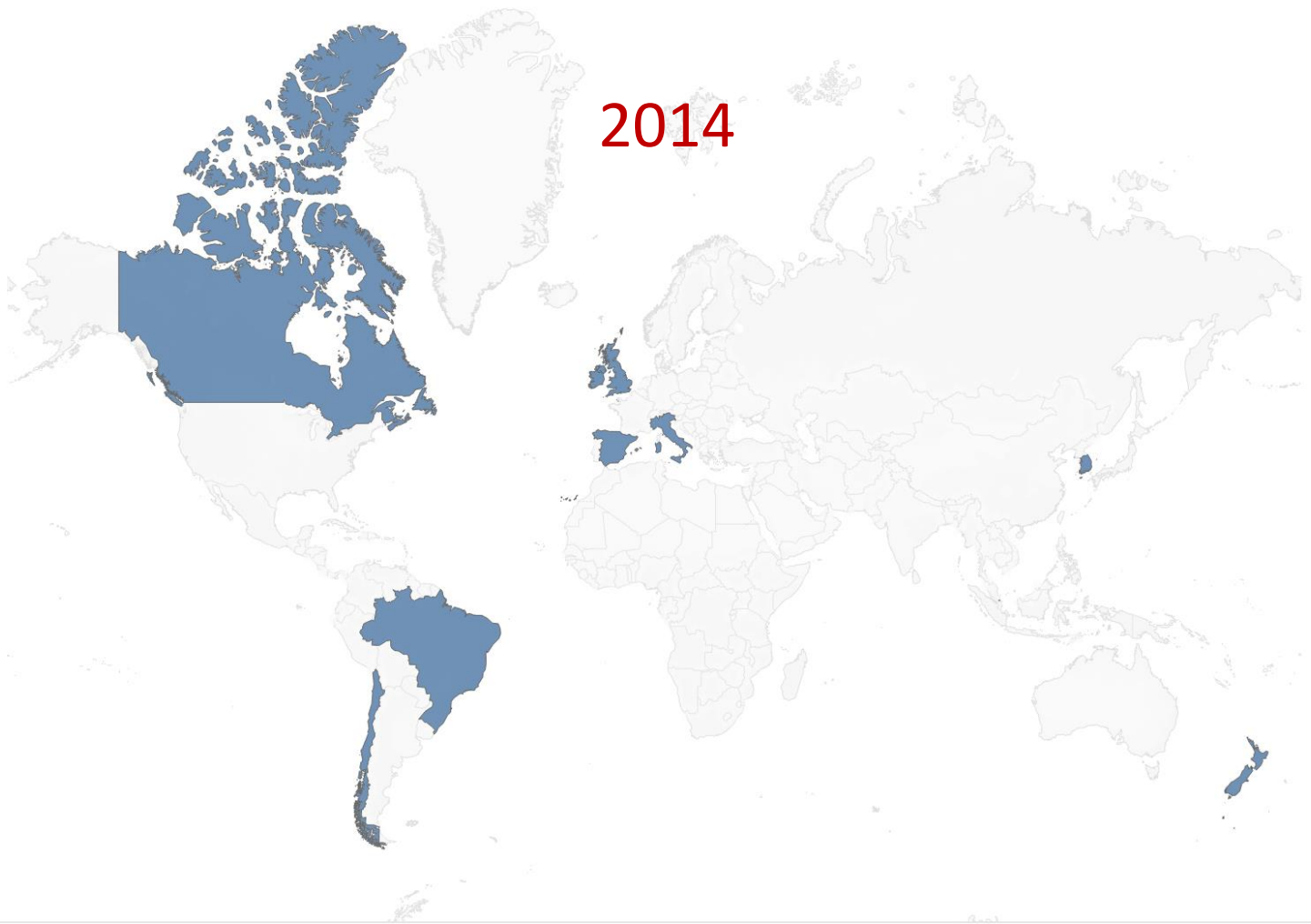
2010



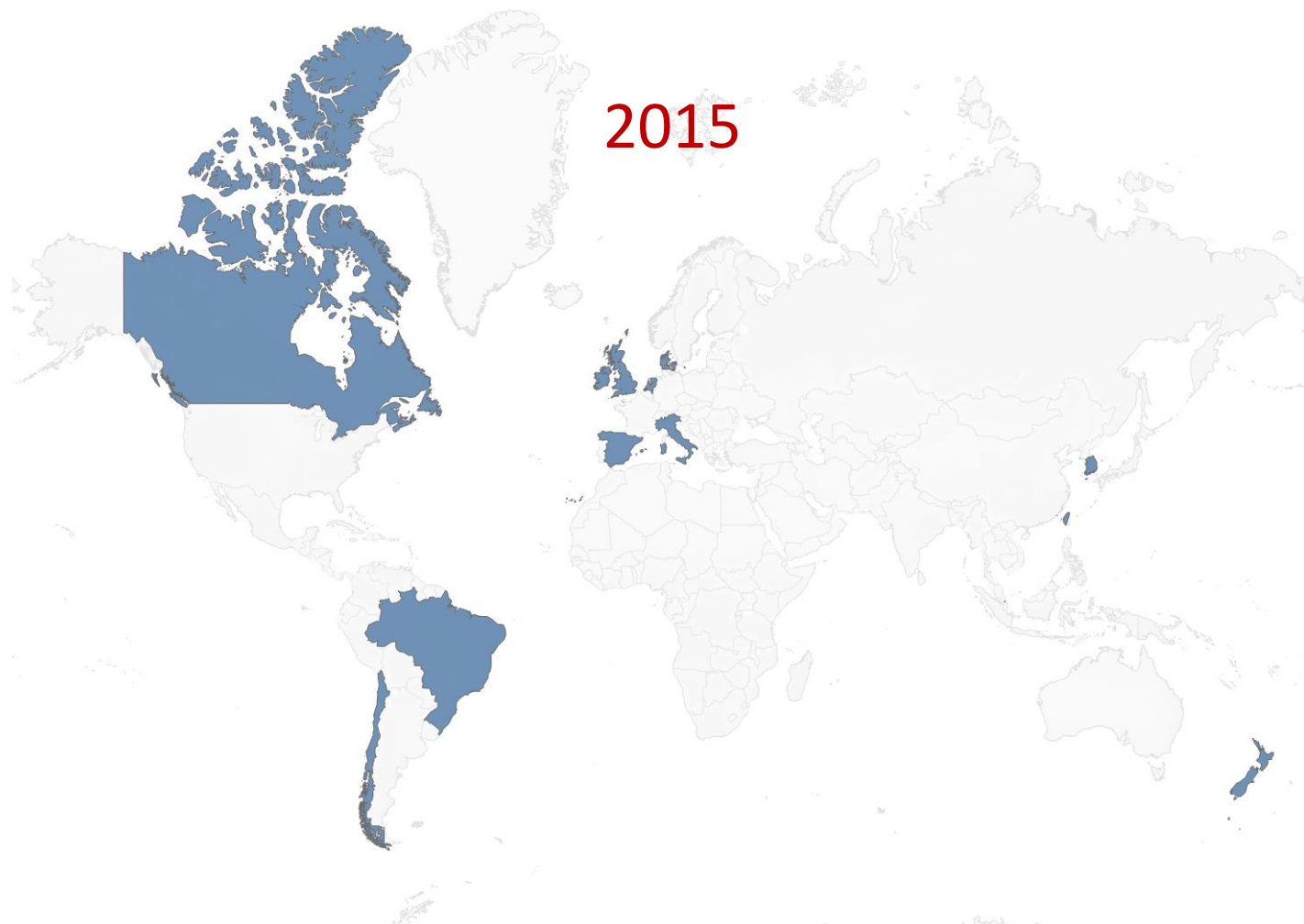
2012



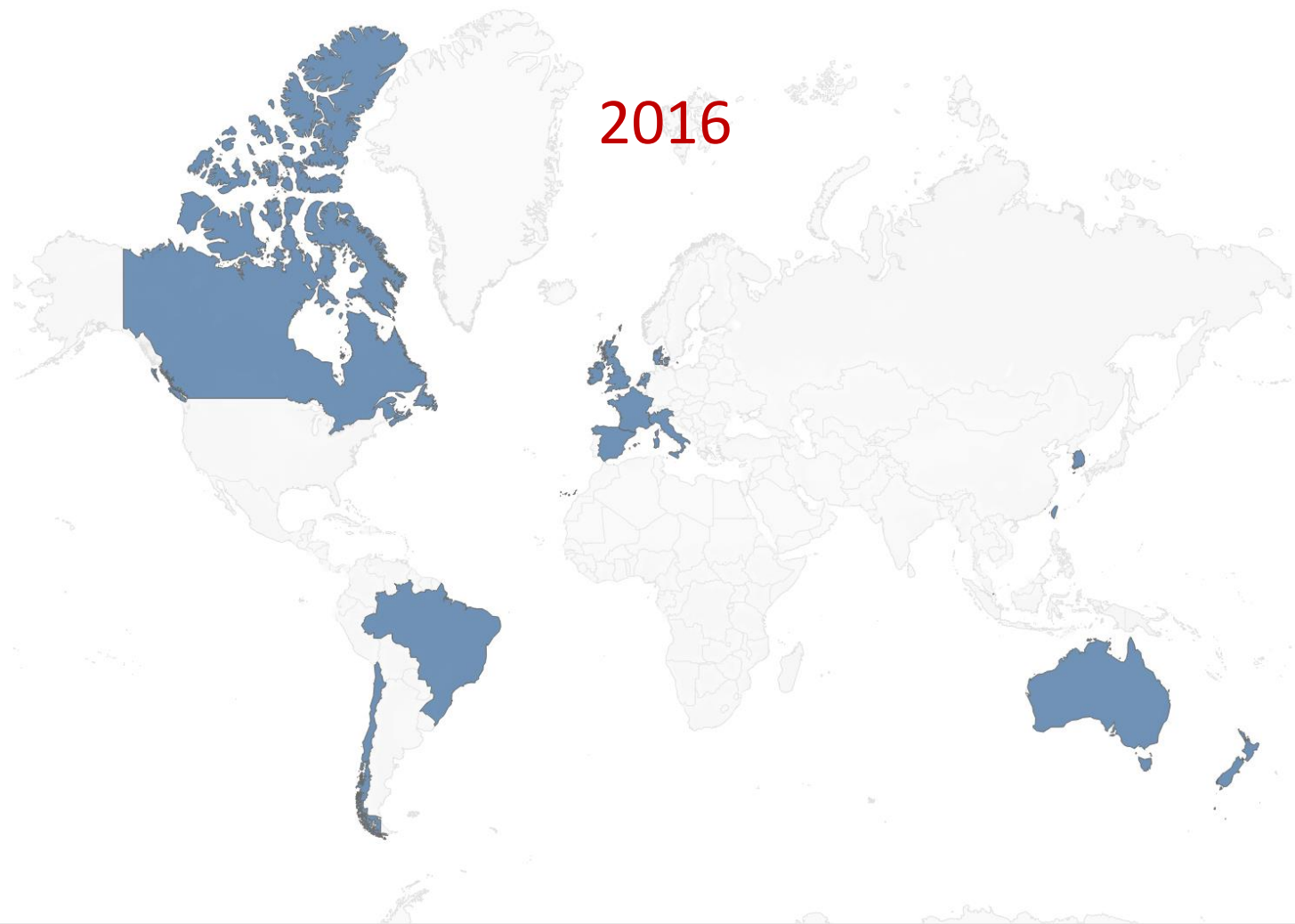
2013



2014



2015

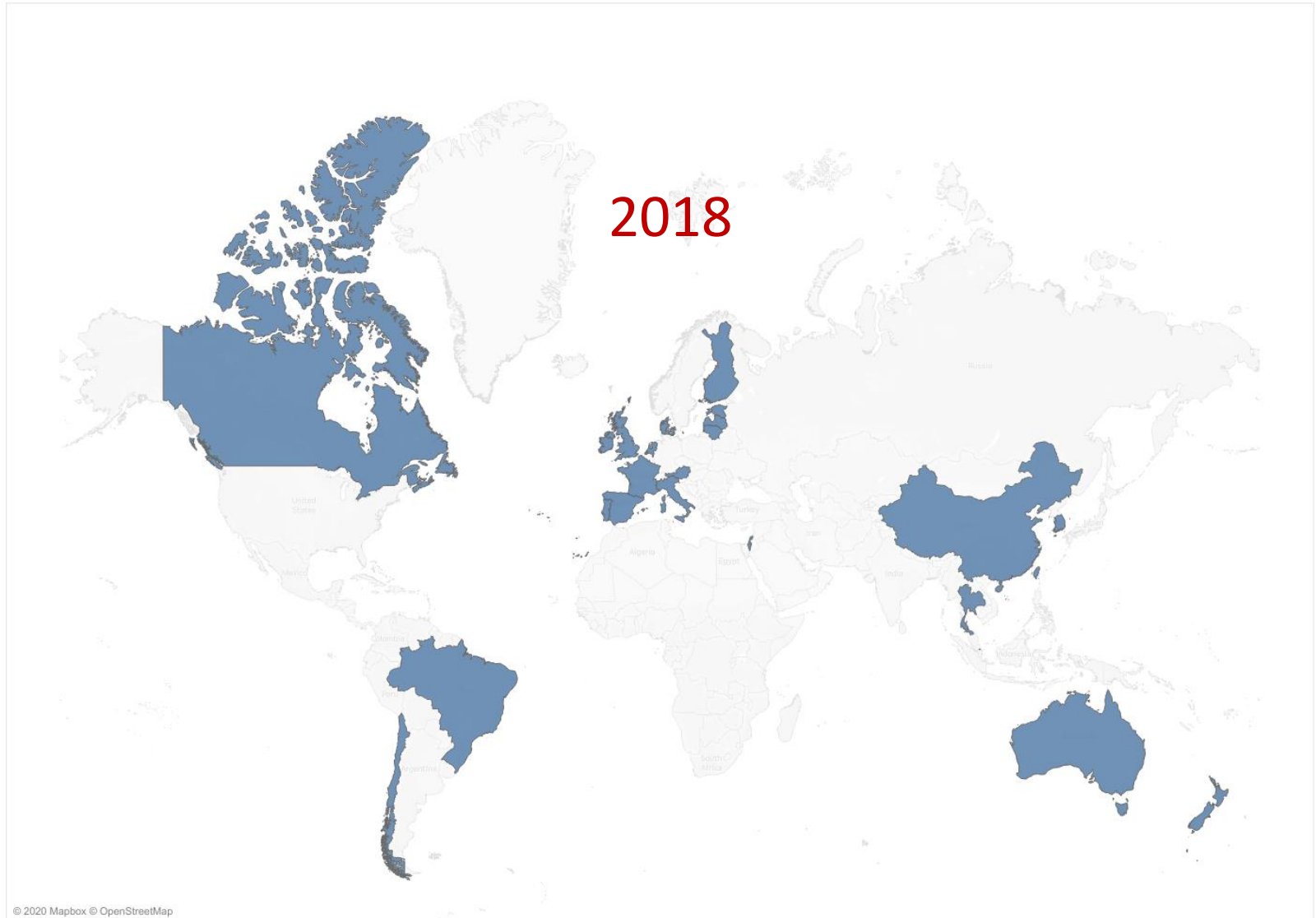


2016

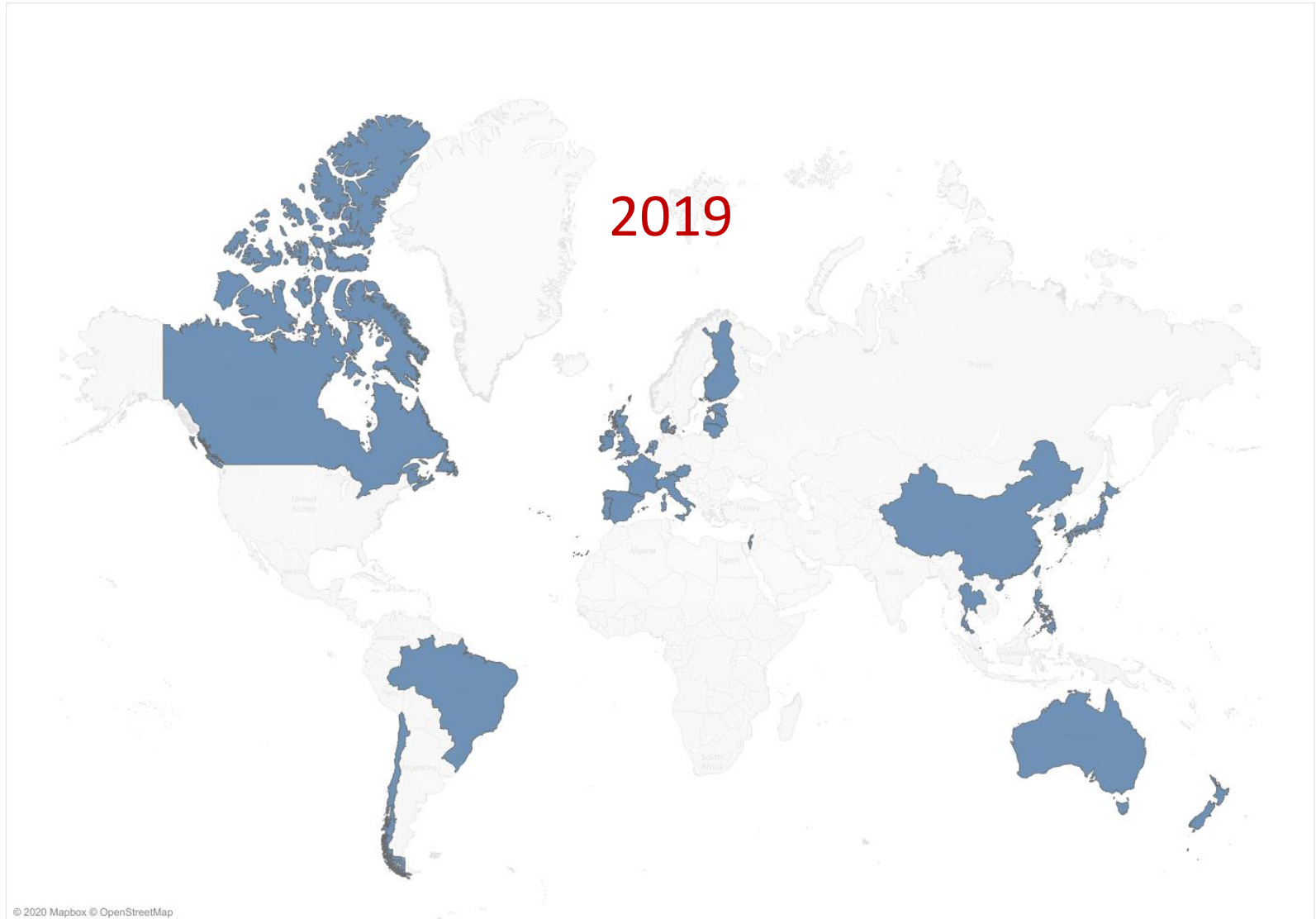
2017



2018



2019



Key characteristics

Branding

- Aesthetically captivating
- Embedded in larger start-up umbrella initiatives
- Frequently managed by specialized innovation agencies (linked to Ministries of Economy)

**Attracting world class
changemakers**



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in Latam!**



Selection criteria?

Business concepts:

- **Tech-intensive** businesses (but few “hard” sectoral limitations)
- **Innovation and scalability potential** more important than minimum capital / job creation
 - **Longer-term prospects ‘beat’ immediate returns**

Founders’ profiles:

- Evoke younger target group (but generally, **no explicit age limits**)
- More **flexibility in assessing human capital**
 - **case-by-case evaluations** rather than fixed metrics
- **Team applications** encouraged

Minimum capital:

Entrepreneur visas

Start-up visas

Italy	
500,000 EUR	50,000 EUR
Estonia	
65,000 EUR (16,000 EUR for self-employed)	None
Australia	
800,000 AUD (Business innov. stream)	200,000 AUD (Entrepr.) None (SISA scheme)

Who selects and how?

Governments tend to involve **nongovernmental actors**, such as **incubators** and **accelerators**, **investors**, successful start-up **entrepreneurs**, other **industry experts**

1. First step: Expert assessment

- **Third-party endorsement**
- **Multi-stakeholder evaluation committees**

2. Second step: Administration

- Actual visa issuance procedure
 - speedier as a result of step 1

Example: Canada Startup Visa

Third-party endorsement linked to capital requirements, depending on business stage

Third-party endorsement by a designated...	Minimum capital requirements
Business incubator	NONE
Angel investor group	75,000 CAD
Venture capital fund	200,000 CAD

What does the package include?

“Lean” schemes

Key benefit: Fast-track admission procedures

Frequently require 3rd party endorsement

Mostly for companies beyond the idea/inception stage

AU, CA, DK, EE, ES, IE, IL, IT, JP, LT, NL, PT, SG, UK

“Thick” schemes

Visa comes embedded in a set of services and support (e.g. place in incubator, grant, networking events, relocation support...)

Quotas and period deadlines for applications

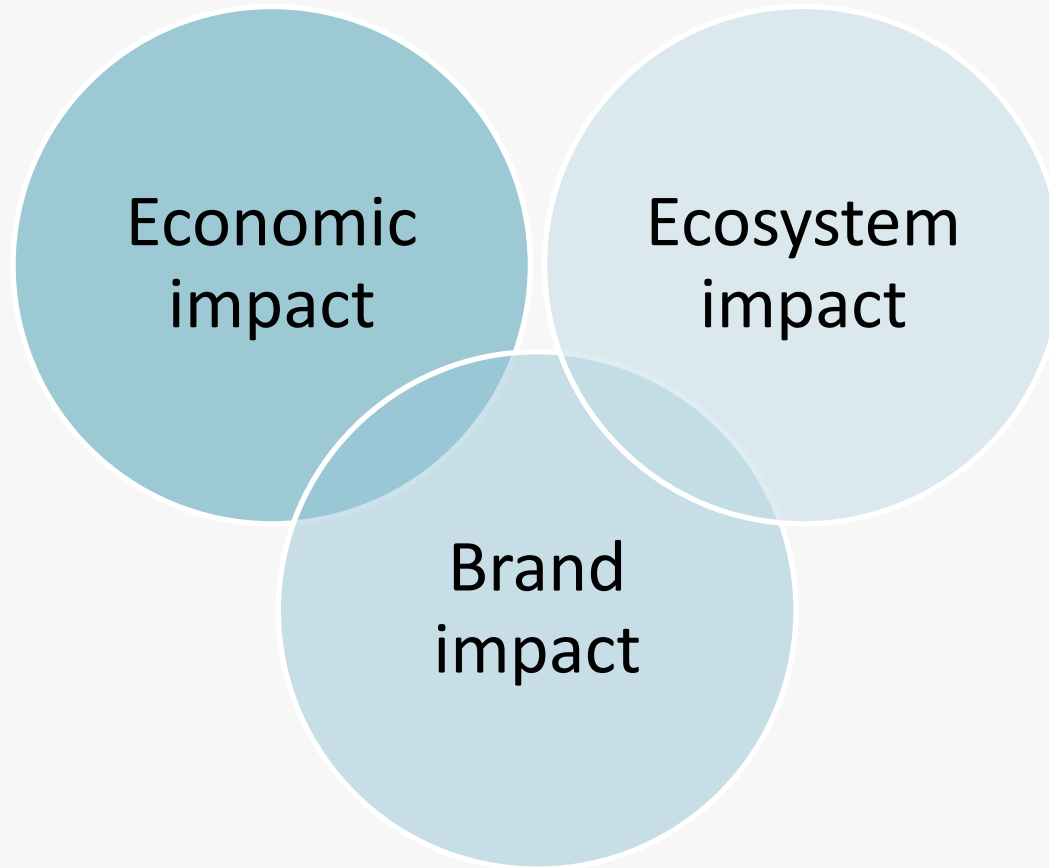
(Very) early-stage business projects/ideas

Chile, France, New Zealand

Summary: key characteristics

- *Low-volume immigration channel*
- *Case-by-case assessment, with expert involvement*
- *Prominence of 3rd-party endorsement*
- *Innovative concept beats traditional human capital metrics*
- *Lower (or no) minimum capital requirements*
- *Low-cost, fast-track procedures (often in EN)*

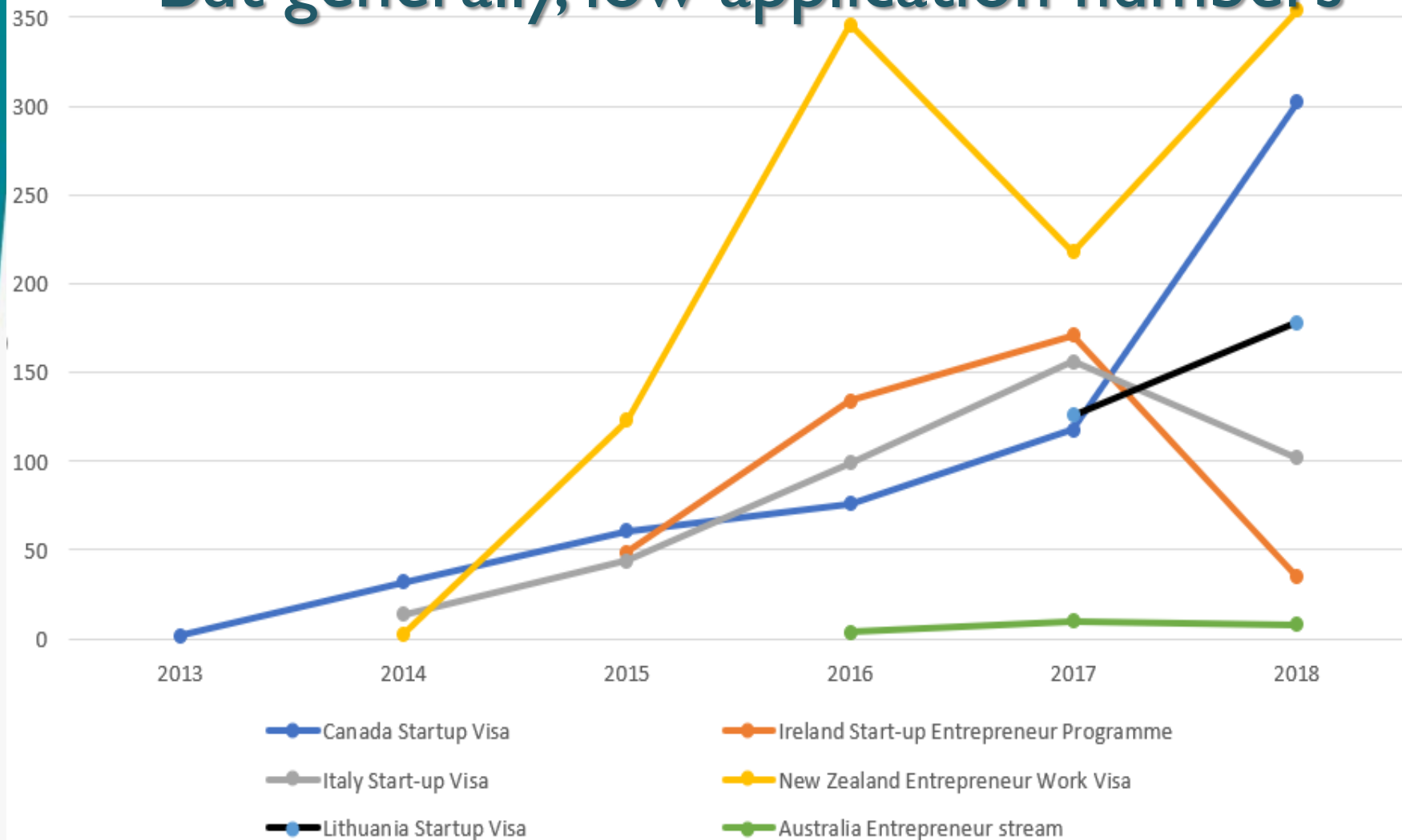
How to measure a scheme's success?



- **Brand impact** easier to review at an early stage
- **No. of applications** as a proxy for attractiveness

“Lean” schemes

Hardly comparable (each one its own story)
But generally, low application numbers



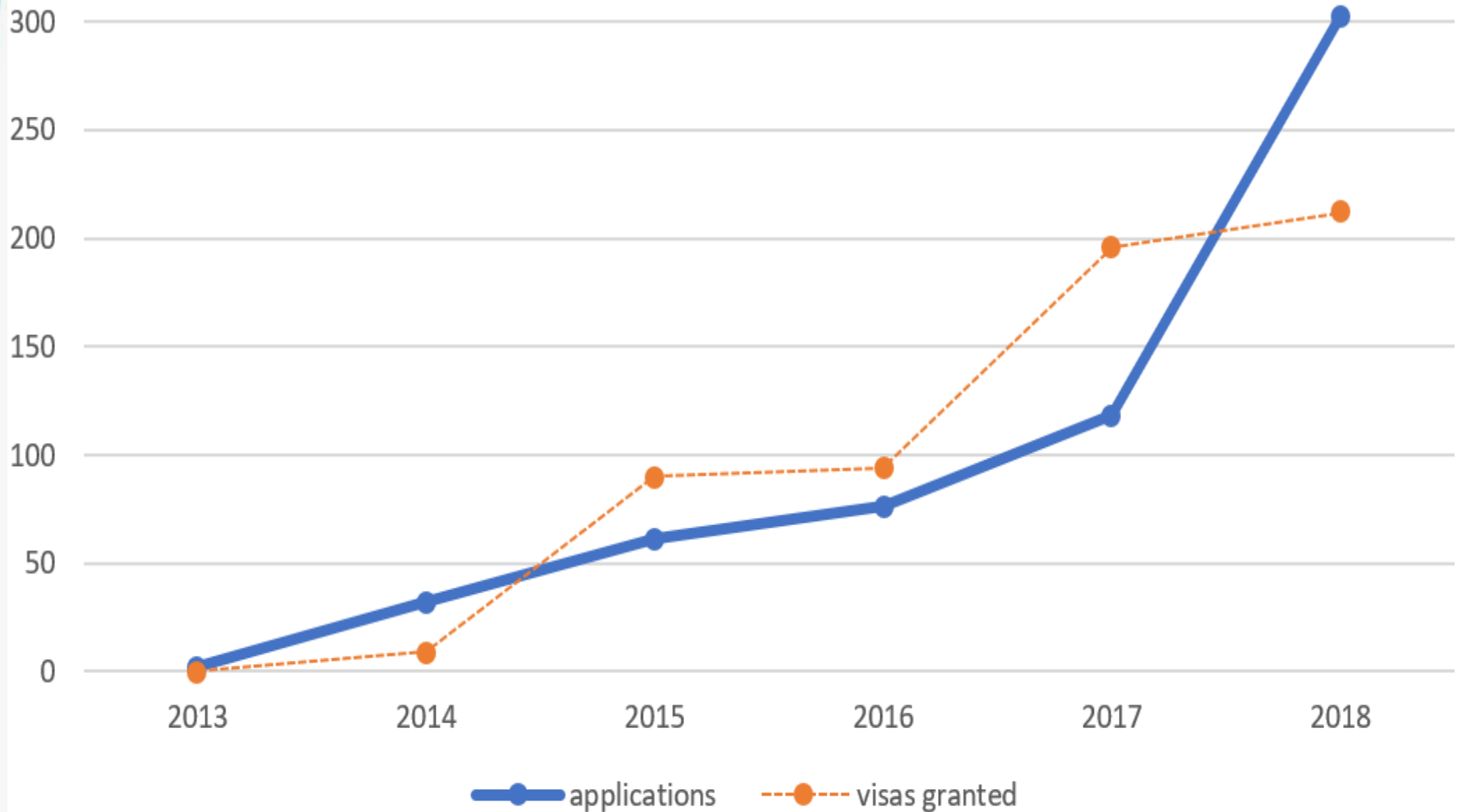
Source: Compilation of official data, in L. Patuzzi (2019): *Start-up Visas: A Passport for Innovation and Growth?*

“Thick” schemes: High application numbers

Scheme		2015	2016	2017	2018
Chile* Start-Up Chile (“Seed” stream)	<i>Applications</i>	>5,800	>3,200	N/K	N/K
	<i>Approvals</i>	272	194	176	133
France French Tech Ticket	<i>Applications</i>	N/A	1,380	2,700	N/A
	<i>Approvals</i>	N/A	50	180	N/A
New Zealand Global Impact Visa	<i>Applications</i>	N/A	N/A	483	813
	<i>Approvals</i>	N/A	N/A	69	82

Source: Compilation of official data, in L. Patuzzi (2019): *Start-up Visas: A Passport for Innovation and Growth?*

Canada's Start-up Visa Past the "teething problems"?



Source: Official data provided upon request by Immigration, Refugees and Citizenship Canada, May 2019

Trends: Tech Visas

	Founders	Skilled employees	Investors	Senior executives
French Tech Visa	✓	✓	✓	
Thailand Smart Visa	✓	✓	✓	✓
Singapore EntrePass	✓		✓	
Estonia Startup Visa	✓	✓		

Policy implications

- Pick the right model for the national and economic context (→ e.g. *'lean'*, *'thick'*, or *'tech'*?)
- Tailor schemes to work for start-ups at different business stages
- Involve the private sector in selection, but monitor closely
- Mind the international talent pool already in the country
- Next to founders, also target start-up employees
- Monitor closely and adapt

Thank you!

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www.mpieurope.org

Liam Patuzzi, 2019.

*Start-up Visas: A Passport for
Innovation and Growth?*

Washington, DC,
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