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Economic Liberty and Legislative Barriers: A New Assessment of Opportunities for Non-EU Entrepreneurs in Europe

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Abstract
This paper introduces the IMIGRENT index, a novel framework for assessing a country's attractiveness for immigrant entrepreneurship within the European Union. Moving beyond purely economic or integration metrics, the index evaluates six dimensions, including immigration procedures, company registration, and social services, to provide a multidimensional measure of entrepreneurial liberty. Applied to both EU and non-EU immigrants, the analysis reveals how national legislation and institutional barriers shape economic opportunities. The findings position entrepreneurship not merely as an economic activity, but as a critical pathway to exercising economic self-determination and fundamental rights. The IMIGRENT index serves as a vital policy tool for diagnosing structural constraints and aligning EU migration governance with principles of liberty, equality, and social inclusion.

Keywords
Immigrant Entrepreneurship; IMIGRENT Index; European Union; Economic Freedom; Migration Policy; Entrepreneurial Liberty; Self-Determination

INTRODUCTION

The issue of immigrant entrepreneurship is receiving growing recognition from policymakers, stakeholders, and researchers (Ram et al. 2017; Solano et al. 2019, 2023). This increasing attention is driven by several factors, including the reasons for migration, such as weather hazards or armed conflicts in the country of origin, the expansion of the small business sector, which highlights the contributions of migrant entrepreneurs, and the strong entrepreneurial tendencies observed among migrants.

In host societies, many immigrants choose self-employment because they struggle to find suitable jobs. In OECD and EU28 countries, around 12% of foreign-born immigrants are self-employed, though rates vary across countries (OECD 2018; Taddei and Solano 2020). Data from Eurostat and the OECD indicate that immigrant-led businesses generally underperform native-owned businesses, reflecting both disadvantages and untapped potential. Foreign-born entrepreneurs are more likely to operate microbusinesses and create fewer job opportunities, particularly in the formal economy. Moreover, immigrant-led businesses have a 27% lower five-year survival rate than those owned by natives (OECD 2015; OECD 2018; Taddei and Solano 2020; UNCTAD 2018).

According to the 2022 World Migration Report (WMR 2022), Europe is the top destination for immigrants, hosting 87 million people, or 30.9% of the global immigrant population. Asia follows with 86 million immigrants (30.5%), while North America hosts 59 million (20.9%). Africa is home to 25 million immigrants (9%). Over the past 15 years, South America and the Caribbean have experienced the fastest growth, with their immigrant populations more than doubling from 7 million to 15 million, now accounting for 5.3% of global immigrants. Oceania hosts 9 million immigrants, representing 3.3% of the total.

Immigrant entrepreneurship exemplifies the intersection between economic freedom and integration processes. Structural barriers such as segmented labor markets, credential devaluation, and institutionalized discrimination often constrain immigrants' access to stable employment, leading many toward self-employment and business creation. Within this context, entrepreneurial activity serves both as a strategy for economic survival and as a pathway to upward mobility. Through such initiatives, immigrants not only pursue financial autonomy but also occupy market niches, generate employment, and stimulate local economic growth (Elmi et al. 2024).

Entrepreneurial opportunities available to immigrants and refugees vary significantly depending on their legal access to the labor market (Newman et al. 2024). Research on immigrant entrepreneurship continues to expand, with a recent systematic review identifying key developments in the field (Dabić et al. 2020). Refugee entrepreneurs typically possess less social capital, fewer financial resources, and greater uncertainty due to their visa status, particularly those on temporary or bridging visas while seeking asylum. Additionally, refugees often experience higher levels of trauma than voluntary migrants, who generally have more choice in relocation, better preparation, and greater financial access (Campion 2018; Hynes 2011). Understanding the distinctions between refugees and voluntary immigrants requires considering the diverse experiences of involuntary migrants, shaped by factors such as mode of arrival, visa category, and prior social status (Hynes 2011). For example, asylum seekers on temporary visas without permanent protection face restricted access to formal employment and limited financial resources to start or expand a business.

European Union policies constitute a critical framework for shaping immigrant opportunities and integration within member states. By establishing common rules for legal migration, regulating asylum and border procedures through the Pact on Migration and Asylum, and influencing national labor-market frameworks through instruments such as the Action Plan on Integration, the EU significantly affects migrants' access to employment, social services, and civic participation. These policy measures aim to balance the interests of host societies and migrants. The interplay between supranational directives and national implementation underscores the importance of institutional frameworks in mediating immigrants' rights and opportunities, illustrating how regulatory design can either facilitate or constrain economic and social inclusion (OECD 2018; EC 2025).

The present study examines the challenges faced by non-EU entrepreneurs seeking to establish businesses within the EU. It explores key issues such as immigration procedures, company registration and ownership, access to social services, and other relevant factors that extend beyond purely economic considerations or integration aspects discussed in previous research.

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The objectives of this analysis are threefold: 1) to examine key indexes widely cited in the literature, such as EUCHAM (2020) and MIPEX, that assess immigrant entrepreneurship, and to analyze how host countries and their legislative frameworks shape these indexes; 2) to develop a more comprehensive methodology, referred to as IMIGRENT, for measuring the attractiveness of foreign countries for entrepreneurial activities. This method integrates a broader range of influencing factors, including social, economic, personal, climatic, and security-related aspects, all of which contribute to the decision-making process of starting a business abroad; and 3) to extend the analysis to non-EU immigrants who wish to start a business within the EU. For this purpose, European legislation on immigration from outside the EU has been reviewed to assess the impact of citizenship status on the final attractiveness score across European countries.

The significance of this analysis lies in its capacity to provide a reliable, multidimensional measure of a country's attractiveness to entrepreneurial activity, tailored to the specific needs and circumstances of foreign entrepreneurs, depending on their citizenship and individual requirements.

LITERATURE REVIEW

The increasing complexity of global migration, driven by environmental change, geopolitical instability, and demographic transitions, poses significant challenges for governance systems (Biermann and Boas 2010). These evolving dynamics have generated mixed migration flows that are difficult to predict and manage, calling for policy frameworks that are both adaptive and forward-looking. Scholars emphasize the need for dynamic governance approaches that integrate environmental, political, and demographic factors, thereby ensuring that migration policies remain responsive to rapidly changing contexts while balancing state interests with the protection of migrants' rights (de Haas 2011).

Immigrant entrepreneurship represents a key driver of economic dynamism; however, its relationship to equality of opportunity and social justice remains deeply contested. While immigrant-owned enterprises contribute to innovation, job creation, and local development, entrepreneurs frequently encounter structural barriers, including discriminatory regulatory regimes, limited access to financial capital, and exclusion from mainstream support systems. These obstacles restrict not only their economic potential but also their broader social integration within host societies. Advancing immigrant entrepreneurship as a mechanism of social justice, therefore, requires more than acknowledging its economic contributions; it necessitates dismantling institutional and societal inequities and establishing inclusive policy frameworks that enable genuine economic participation and empowerment (Ram et al. 2017; Zhou 2004; Desiderio 2014; Rath and Swagerman 2016; Solano et al. 2019).

Solano's (2022) comparative study provides a comprehensive analysis of the legal and policy environments affecting immigrant entrepreneurs in EU and OECD countries. The findings reveal that institutional frameworks often restrict access to self-employment for certain immigrant groups, depending on their legal status. Although various support measures exist for migrant entrepreneurs, these initiatives frequently treat them as a homogeneous group, overlooking their diverse backgrounds and specific needs. The study further underscores that an integrated social and economic approach is essential for effectively empowering immigrants (Bužinkić 2017).

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Barriers to entrepreneurship can significantly constrain fundamental economic and social rights by limiting individuals' capacity for self-determination and access to opportunity. Structural impediments, such as limited access to capital, restrictive regulatory environments, and systemic bias, often prevent prospective entrepreneurs from establishing and sustaining businesses. These constraints not only undermine economic freedom but also impede personal and professional development, restricting individuals' ability to shape their life trajectories and improve their socio-economic standing. From a rights-based perspective, such limitations constitute a denial of core entitlements, underscoring the critical intersection between institutional frameworks, economic opportunity, and social justice in shaping entrepreneurial outcomes (Ram et al. 2017; Bajajfinserv 2025).

The study of immigrant entrepreneurship has developed a robust theoretical foundation for explaining why immigrants pursue self-employment and how their ventures succeed. The blocked-opportunity theory holds that exclusion from mainstream labor markets drives immigrants toward entrepreneurship as an adaptive strategy (Light 1972; Waldinger, Aldrich, and Ward 1990). Social and ethnic networks also play a pivotal role by facilitating access to resources, labor, and customers that might otherwise be inaccessible (Portes and Sensenbrenner 1993; Aldrich and Waldinger 1990). The middleman minority theory conceptualizes certain immigrant groups as occupying intermediary economic niches, bridging transactions between dominant and subordinate populations (Bonacich 1973). Meanwhile, the enclave economy hypothesis emphasizes the economic advantages generated through co-ethnic clustering and localized market structures (Wilson and Portes 1980).

More recent approaches highlight the interaction between social networks, market conditions, and institutional contexts. The mixed embeddedness framework emphasizes how immigrant entrepreneurship emerges at the intersection of structural opportunities within the economy and the institutional environment, as well as the relational resources found in ethnic communities (Kloosterman, Van der Leun, and Rath 1999; Kloosterman and Rath 2001). Immigrant entrepreneurs often face barriers such as limited access to finance, regulatory challenges, and constrained networks. They overcome these obstacles by leveraging both co-ethnic and transnational ties, which provide critical access to capital, information, and collaborative partnerships. This process enables immigrants to transform potential disadvantages into entrepreneurial opportunities (Katila and Wahlbeck 2012; Kloosterman and Rath 2010).

The mixed embeddedness framework advances this understanding by emphasizing how immigrant entrepreneurship emerges at the intersection of macro-level transformations in institutional and economic systems and micro-level shifts in social and cultural relations. In new venture creation, migrant entrepreneurs frequently encounter barriers such as limited access to financial capital, regulatory challenges, and constrained networks within the host society (Kloosterman and Rath 2010). To overcome these limitations, they rely on a dual anchoring of embeddedness: institutional integration into host-country markets and relational ties within their ethnic communities. Ethnic networks, in particular, serve as a vital source of capital, information, and partnership opportunities, thereby facilitating the entrepreneurial process despite structural constraints. By incorporating the institutional dynamics that mediate between entrepreneurs and the broader socio-economic system, the mixed embeddedness approach reconfigures the analysis of entrepreneurial opportunity (Wellalage and Fernandez 2023).

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Finally, transnational entrepreneurship theory underscores that immigrant ventures often operate across both home and host countries, enabling founders to exploit opportunities in multiple markets and benefit from global networks (Portes, Guarnizo, and Haller 2002; Drori, Honig, and Wright 2009). Complementing this perspective, entrepreneurial ecosystem approaches situate immigrant ventures within broader institutional, policy, and contextual support structures that shape opportunity landscapes and facilitate business growth (Stam 2015; Spigel 2017). Together, these frameworks provide a comprehensive understanding of why immigrants engage in entrepreneurship and how their ventures navigate structural, social, and institutional environments to succeed.

Building on the author's previous work introducing the Immigrant Entrepreneurship Index (IMIGRENT), this study further examines how the index addresses gaps in the understanding of immigrant entrepreneurship. It enhances the quantification of a country's attractiveness for entrepreneurial activity by considering several categories of factors, including immigration procedures, company registration and ownership, personal affairs and accommodation, social services, specific issues, and climatic and natural conditions (Koroutchev 2024).

Specific inquiries into national legislation provide valuable insights into a country's appeal for immigrant entrepreneurs. The evaluation of a country's attractiveness depends not only on entrepreneurs' preferences and diverse needs but also on immigrants' citizenship status. A comparison between this novel approach and existing frameworks in the literature, such as EUCHAM20 (2020) and MIPEX (Solano and Huddleston 2020), reveals similar outcomes, with greater alignment between the EUCHAM20 and IMIGRENT indexes. This similarity likely stems from the financial factors emphasized in both IMIGRENT and EUCHAM20, in contrast to the social and integration-related dimensions prioritized by MIPEX. Notably, the IMIGRENT index introduces additional values highlighted in the comparative analysis of European countries, including the role of immigrant citizenship, national legislation, and other aspects related to personal affairs, accommodation, social services, and climatic conditions in the host country.

The newly introduced IMIGRENT index, together with its underlying methodology, enriches insights from previously discussed theoretical perspectives. It complements blocked opportunity theory, which argues that exclusion from mainstream labor markets often channels immigrants toward entrepreneurship. Furthermore, it extends the mixed embeddedness framework, which situates immigrant entrepreneurship at the intersection of structural economic opportunities and institutional conditions. By incorporating new dimensions such as personal circumstances, housing, access to social services, and environmental factors, the IMIGRENT index offers a more nuanced understanding of immigrants' decision-making processes and their adaptation strategies within host countries.

METHODOLOGY

The methodology employed in this research integrates both quantitative and qualitative approaches, combining statistical analysis of data from various official sources, including the World Bank, Transparency International (EUCHAM 2020), Policies for Immigrant Integration (Solano and Huddleston 2020), OECD, and Eurostat, among others. To enhance the presentation of findings, the Datawrapper software was utilized for advanced visualization of results.

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The first approach draws on an internationally recognized index developed by the World Bank and Transparency International (EUCHAM 2020). The European Chamber applied this index to rank European countries according to key economic indicators, with particular emphasis on business start-up procedures, tax compliance, cross-border trade, and property registration.

The second approach is based on the Migrant Integration Policy Index (MIPEX), developed by Solano and Huddleston (2020). MIPEX provides a comprehensive analysis of migrant integration by evaluating policies in 56 countries across six continents. It focuses on areas such as labor market mobility, family reunification, education, health, permanent residence, access to citizenship, anti-discrimination measures, and political participation. Within this comparative framework, the study examines the legal and policy environments that shape opportunities for migrant entrepreneurs across the EU and OECD.

Finally, the third and original approach proposed in this article introduces the IMIGRENT index, developed by the author. Designed for global application, the index captures nearly all aspects of establishing entrepreneurial activities abroad. It is structured around six major categories:

- Immigration Procedures,
- Company Registration and Ownership,
- Personal Affairs and Accommodation,
- Social Services,
- Specific Issues,
- Climatic and Natural Conditions.

The novelty and significance of this index lie in its comprehensive scope, which provides an in-depth assessment of the diverse factors that shape immigrant entrepreneurs' ability to successfully establish themselves in a new country. In addition to these core categories, the IMIGRENT index also considers critical aspects such as access to permits and licenses, property ownership rights, access to finance and credit eligibility for loans or grants, anti-discrimination frameworks, and inclusion in entrepreneurship development schemes. Together, these dimensions provide a holistic evaluation of the conditions influencing immigrant entrepreneurship and highlight the multifaceted challenges and opportunities faced by entrepreneurs in host countries.

Local legislation in host countries was essential for conducting this analysis, and primary data sources were employed throughout. For the component of the IMIGRENT index focused on immigration procedures, relevant legislation was obtained from the Ministry of Internal Affairs and the immigration departments of each host country. Information regarding company registration and ownership was gathered from the Ministry of Economy and official publications by subject-matter experts. Data on personal affairs and accommodation were sourced from real estate websites. At the same time, information on social services was collected from the Ministries of Social Security in countries where immigrant entrepreneurs seek to settle and establish businesses. Local friendliness scores were drawn from Internations.org (Expat Insider 2022). Finally, data on climatic and natural conditions were accessed through various platforms, including the World Weather Information Service (WMO 2024).

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Computation of the IMIGRENT Index

The purpose of this part is to explain the procedure used to quantify the IMIGRENT index for the EU-27 countries, as well as Iceland and Switzerland. The index is calculated across six blocks, each comprising a series of specific questions listed in the Appendix. Each question contributes to the overall index through two components: a score (0-10) and a weight (0-1).

- Scores are objective. For the first four blocks, Immigration Procedures, Company Registration and Ownership, Personal Affairs and Accommodation, and Social Services, the score is determined by the host country's legislation. For the remaining two blocks, Specific Issues and Climatic and Natural Conditions, the score reflects the country's particular characteristics.
- Weights are subjective. They represent the respondent's personal assessment of each factor's importance, expressing the relative significance an individual entrepreneur attributes to different aspects.

As a result, the overall measure of a country's entrepreneurial attractiveness varies according to how entrepreneurs prioritize these factors. This makes the IMIGRENT index an individually adaptable tool, designed to help potential entrepreneurs identify the host country that best aligns with their preferences, priorities, and personal profile.

For example:

- "Does a foreign citizen need a permit to reside in the country indefinitely?" → No = 10 points; Yes = 0 points
- "Can a foreign citizen work as an individual entrepreneur?" → Yes = 10 points; No = 0 points

Since both questions are highly relevant to business activity, each would typically receive a high weight of 1.

Conversely, for aspects such as language proficiency — for example, "Do at least 50% of local residents speak a foreign language fluently?" → *Yes = 10 points; No = 0 points* — the weight may be lower for respondents who consider this factor less important when deciding where to establish a business.

The overall country score is calculated as follows:

$$\text{Score (country)} = \sum Q_i W_i \qquad (1)$$

where the summation $\sum$ includes all i questions (75 in total, or 25 in the short version), here, Q_i represents the discrete value assigned to each question (0–10 or intermediate), and Wi is the corresponding weight (0–1 or intermediate).

To enable comparison with the other two indexes (EUCHAM 2020 and MIPEX), the maximum achievable score is normalized to 100, providing a standardized measure of a country's attractiveness for entrepreneurship.

The selection of the different aspects was carefully carried out to ensure that all major factors, including legislative, financial, social, and specific elements relevant to immigrants' potential entrepreneurial activity in a host country, were included.

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As explained earlier, data collection and validation were conducted for EU countries, where official electronic publications provide a high level of transparency and accessibility.

It is important to emphasize that the subjectivity involved in assigning weights is not a limitation of the method but rather a strength. This flexibility allows the IMIGRENT index to be adapted to individual profiles and to serve as a personalized tool that helps prospective immigrant entrepreneurs identify the host country that best aligns with their priorities and business goals.

RESULTS

Non-European Immigrants in Europe

When examining immigration in Europe, it is essential to focus on non-European immigrants who have moved to the continent in recent decades. Data from 2011 shows that the top five foreign-born communities in the EU originated from Morocco (2.29 million), Turkey (2.08 million), Russia (1.81 million), Algeria (1.51 million), and Ukraine (1.09 million) (STATISTA 2018).

Due to the ongoing conflict between Russia and Ukraine, as of July 15, 2024, more than 6 million Ukrainians have been resettled in Europe under the temporary protection scheme, which grants them legal status within the EU (EU Protection 2022; UNHCR EU-UA 2023).

The countries that have attracted the largest numbers of non-European immigrants include Germany, France, Italy, the Netherlands, Sweden, and, before Brexit, the United Kingdom. Figure 1 illustrates the number of immigrants from non-European countries who settled in Europe in 2022, showing that Germany, Spain, France, Italy, and the Netherlands were the primary destinations for non-EU immigrants that year (Eurostat 2024).

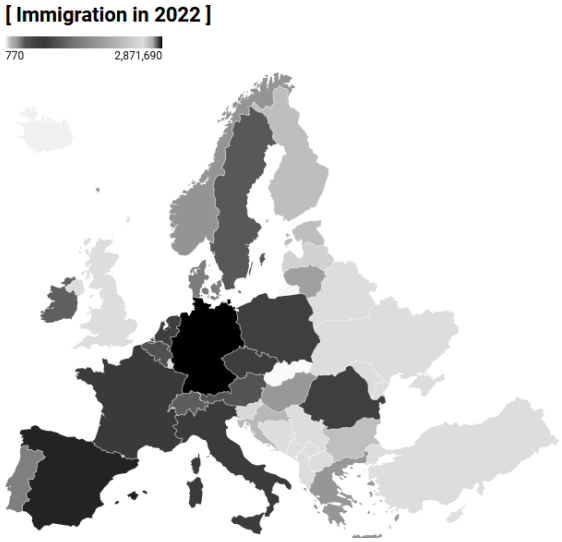


Figure 1: Immigration from Non-EU Countries to the EU, Switzerland, and Norway by 2022 (Source: Eurostat 2023). Author's interactive map published at: https://datawrapper.dwcdn.net/WcEbc/2/

EUCHAM20 and MIPEX Scores

The EUCHAM20 Index

In Europe, entrepreneurs operate in a highly competitive market characterized by numerous top-tier brands, long-established companies with centuries of history, and some of the world's most innovative technological and industrial enterprises (Calviño 2022).

Starting a business in the European Union requires meeting specific legal requirements that vary by country, business type, and chosen legal structure, such as a company, limited liability entity, or corporation. Each structure comes with its own prerequisites for lawful operation within the EU.

Entrepreneurs must be adaptable and resilient, capable of navigating the challenges and continual changes that arise throughout the business lifecycle. Successful entrepreneurs maintain a clear focus on their goals, remain committed to their long-term vision, and work diligently to achieve their objectives. Their dedication to continuous learning enables them to adapt to evolving markets and make informed decisions that drive their businesses forward.

A detailed analysis conducted by the European Chamber ranked 46 European countries based on their economic environments. The ranking, which ranges from 0 to 100, was developed through an in-depth assessment using internationally recognized indicators from the World Bank and Transparency International (EUCHAM 2020).

The Nordic countries consistently dominate the top positions in these rankings, with Denmark, Sweden, Norway, and Finland leading the way. Close behind are Switzerland, the United Kingdom, and Germany, reflecting their strong economic environments and favorable business conditions. Estonia, Lithuania, and Georgia stand out among post-Soviet countries for having successfully created business-friendly environments and demonstrating significant progress and economic potential in their regions (Figure 2).

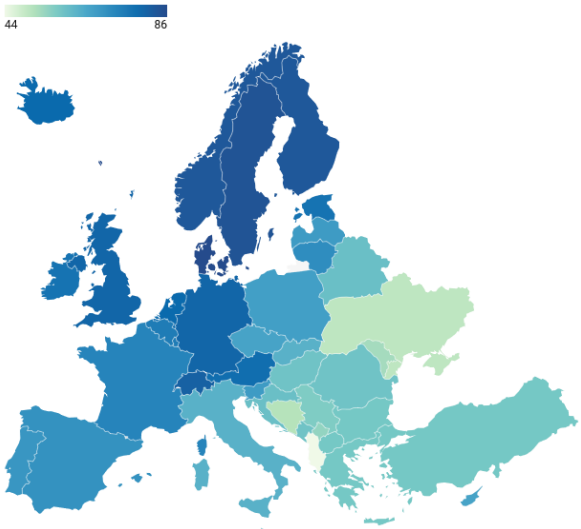


Figure 2: Rank of European Countries for Doing Business in 2020 (Source: EUCHAM 2020). Author's interactive map published at: https://datawrapper.dwcdn.net/LW8Rv/1/

The MIPEX Index

In 2020, a comprehensive analysis of immigrant integration policies was published, based on extensive research conducted by multiple research groups across various countries (Solano and Huddleston 2020). The study employed the Immigrant Integration Policy Index (MIPEX), a tool that evaluates integration policies in 56 countries across six continents. These include all EU Member States (plus the UK), other European nations such as Albania, Iceland, North Macedonia, Moldova, Norway, Serbia, Switzerland, Russia, Turkey, and Ukraine, as well as countries in Asia (China, India, Indonesia, Israel, Japan, Jordan, Saudi Arabia, South Korea, UAE), North America (Canada, Mexico, US), South America (Argentina, Brazil, Chile), and additionally South Africa, Australia, and New Zealand.

The developers of the policy indicators sought to create a broad, inclusive representation of the opportunities available to immigrants to participate actively in society. These indicators help identify the connections between integration policies, migrant outcomes, and public perceptions. This is particularly relevant when examining preferences for immigrant entrepreneurship, which plays a crucial role in promoting more sustainable resettlement.

In Solano and Huddleston's (2020) publication, three key dimensions are used to define a country's overall approach to integration:

- Fundamental rights: Do immigrants have access to rights comparable to those of nationals? For example, do they enjoy equal rights to work, training, healthcare, and protection against discrimination? This dimension is crucial because it enables long-term planning, including pursuing entrepreneurial activities.
- Equal opportunities: Are immigrants able to access opportunities on par with those available to nationals? For instance, do they receive targeted assistance in areas such as education, healthcare, and political participation to help ensure equal integration with the native population? As with the previous dimension, this aspect is highly relevant for long-term entrepreneurial prospects.
- Secure future: Are immigrants able to establish long-term residence and feel confident about their future in the host country? For example, are they granted access to family reunification, the possibility of obtaining permanent residence, and pathways to citizenship, thereby ensuring greater stability and security? Like the first two dimensions, this factor influences entrepreneurial preferences and contributes to more sustainable settlements across different countries.

The study by Solano and Huddleston (2020) categorizes countries into three groups: comprehensive integration, equality on paper, and temporary integration. The final results, presented in Figure 3, are measured on a scale from 0 to 100. As shown, the highest overall scores are found in the Nordic countries and Portugal, followed by Belgium, which outperforms most other European nations. In contrast, Poland, several Baltic and Balkan countries, and Turkey appear at the lower end of the scale.

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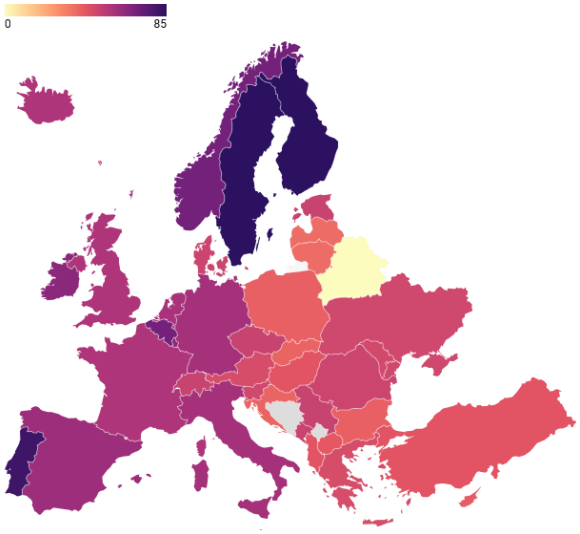


Figure 3: European Migrant Integration 2020 (Source: Solano and Huddleston 2020).
Author's interactive map published at: https://datawrapper.dwcdn.net/YbFri/2/

The IMIGRENT Index

The following part presents a new approach to quantifying the attractiveness of a given country for entrepreneurial activities worldwide, proposed by the author: the IMIGRENT index (Immigrant Entrepreneurship Index), introduced in 2024. This represents the first instance of such a comprehensive measure, integrating in-depth analysis with the incorporation of personal preferences and attitudes toward the various criteria used to assess a country's entrepreneurial attractiveness.

As outlined in the Introduction, the index is based on a comprehensive set of criteria grouped into six main categories:

- Immigration procedures, including residence permits, processing timeframes, work permits, recognition of foreign diplomas or qualifications, pathways to citizenship, and related procedures.
- Company registration and ownership, covering factors such as the freedom to conduct business, tax procedures, the ability to direct one's own company, opportunities for individual entrepreneurship, and similar considerations.
- Personal affairs and accommodation, including the ability of foreigners to purchase real estate, foreign language requirements, bringing a personal vehicle into the country, recognition of driving licenses, and other practical matters.
- Social services encompass access to healthcare and pension systems for foreigners, education, and other public services.
- Specific issues, such as anti-discrimination measures, crime indices, risks related to armed conflict and terrorism, and kidnapping risk.
- Climatic and natural conditions, including environmental quality, geological and climatic hazard risks, risks of malaria and other diseases, air pollution levels, and related factors.

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As explained in the Methodology section, each block contains several specific questions, each assigned a value (0, 5, 10, or an intermediate value between 0 and 10) along with its own weight ranging from 0 to 1. Each question corresponds to the national legislation of the country under evaluation and includes a link to the relevant institutional source. The legislation itself determines the numerical value (0–10), while the weight is subjective and depends on how important an individual considers each aspect to be.

In this way, the overall assessment of a country's attractiveness for entrepreneurship depends on the entrepreneur's own priorities and on the degree of importance they assign to the various criteria.

IMIGRENT Index for EU Immigrants in the EU-27, Iceland, and Switzerland

For clarity, the Appendix presents the 25 key questions used in the reduced analysis. These questions were selected based on their significance to the author, with each assigned an equal weight of one. Figure 4 illustrates how these questions are applied across different European countries, taking into account national legislation and the author's criteria for a hypothetical EU-citizen entrepreneur (Koroutchev 2024).

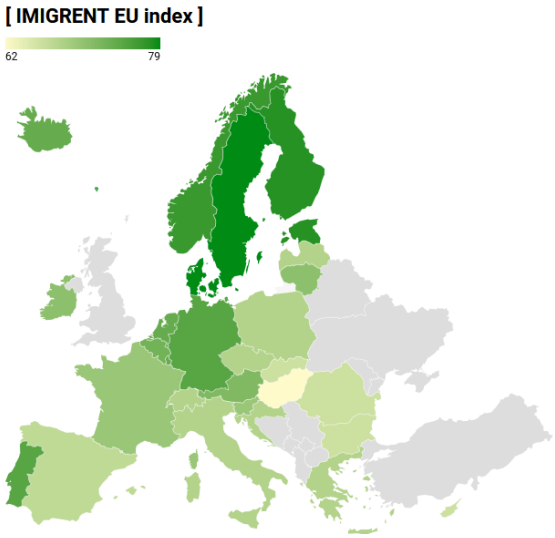


Figure 4: The IMIGRENT Index for the European Scenario.
Author's interactive map published at: https://datawrapper.dwcdn.net/7mlv1/4/

As shown in Figure 4, the Nordic countries, along with Estonia, achieve the highest scores among nations. Portugal, Germany, and Ireland follow them. The Netherlands, Belgium, and Austria also rank relatively high, while most Southern and Eastern European countries display similar but lower scores.

The IMIGRENT Index enhances quantification by incorporating a broader range of factors compared to EUCHAM20 or the MIPEX indices (see Table 1). Elements such as company registration processes, online accessibility of administrative services, personal affairs, accommodation conditions, and natural or environmental factors allow for a more nuanced

assessment. For example, Finland's score reflects the influence of its harsh climate, whereas Spain ranks lower due to institutional inefficiencies and unclear regulatory procedures. In Germany, the results are generally positive, although some indirect economic barriers remain.

Portugal performs well due to its flexible banking and business regulations, a welcoming population, a favorable climate, and an efficient public administration. In contrast, Hungary scores lower because of restrictions on property purchases, limitations on the use of foreign driver's licenses, and reduced access to social services, despite maintaining business-friendly banking regulations. Poland benefits from similarly flexible banking rules but ranks higher than Hungary because it has a stronger social support system. Italy's lower score is attributable mainly to bureaucratic complexity and additional requirements for recognizing foreign diplomas, whereas France, despite lagging in e-services, offers greater overall flexibility.

The IMIGRENT Index for Non-EU Immigrants in the EU

The questions presented in the Appendix were used to calculate the IMIGRENT index for non-EU immigrants in the EU. Notable differences appear in the index values for various European countries compared to those for EU immigrants. The results are shown in Figure 5. The scores were calculated for a generic non-EU immigrant seeking to establish activities in the EU, without accounting for specific bilateral agreements between countries.

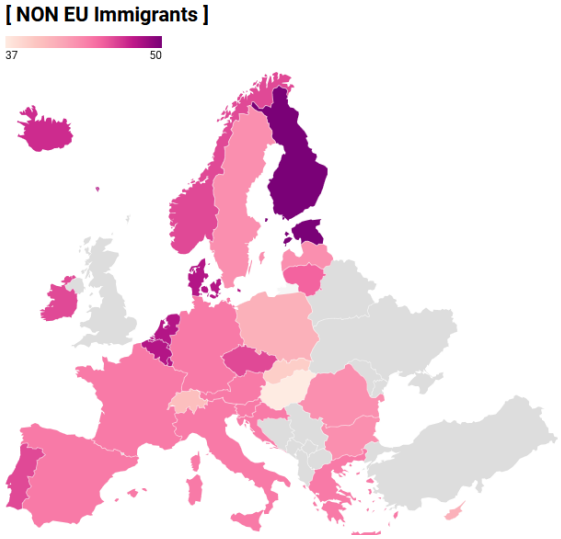


Figure 5: The IMIGRENT Index for the European Scenario: The Case of Non-EU Immigrants.
Author's interactive map published at: https://datawrapper.dwcdn.net/4llx5/4/

In Table 1 below, the countries' scores can be compared across the different approaches and for both EU and non-EU immigrants who wish to establish themselves as entrepreneurs in the EU. Note that the United Kingdom and Ukraine were excluded from the IMIGRENT index analysis in this case. Because of the significance of the 25 questions, selected according to the author's criteria and their relevance to this study (see Appendix), each question was assigned an equal weight of one.

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Table 1: Comparison of the Three Indices: EUCHAM2020, MIPEX, and IMIGRENT* (Source: Author's own depiction).

Countries	EUCHAM20	MIPEX	IMIGRENT EU	IMIGRENT NON-EU
Denmark	86	49	**79**	**48**
Sweden	84	85	**79**	**43**
Estonia	77	50	**78**	**50**
Finland	83	85	**78**	**50**
Norway	83	69	**77**	**46**
Germany	80	58	**75**	**44**
Portugal	69	81	**75**	**46**
Iceland	79	56	**74**	**47**
Luxemburg	75	64	**74**	**48**
Netherlands	79	57	**74**	**48**
UK	80	56	-	-
Belgium	75	69	**73**	**48**
Austria	78	46	**72**	**44**
Ireland	77	64	**71**	**46**
Lithuania	71	37	**71**	**45**
France	73	56	**70**	**44**
Slovenia	68	48	**70**	**44**
Croatia	60	39	**68**	**44**
Czech Republic	66	50	**68**	**46**
Greece	58	46	**68**	**44**
Italy	63	58	**68**	**44**
Latvia	68	37	**68**	**43**
Poland	67	40	**68**	**41**
Switzerland	79	56	**68**	**40**
Bulgaria	58	40	**66**	**43**
Cyprus	66	41	**66**	**41**
Romania	59	49	**66**	**43**
Slovakia	63	39	**66**	**39**
Spain	70	60	**66**	**44**
Hungary	59	43	**62**	**37**
Ukraine	50	48	**-**	**-**

** The last two columns show the position of the countries based on the author's calculated IMIGRENT scores for both EU and non-EU immigrants.*

As an illustration, the calculation for Estonia is presented in more detail below.

The first six questions from the Appendix belong to the block on Immigration Procedures. Based on information from the Ministry of the Interior of Estonia (2025), the following were quantified: Q1 = 0, Q2 = 10, Q3 = 10, Q4 = 0, Q5 = 10, and Q6 = 0. It should be recalled that, according to the author's criteria, the corresponding weights (W_i) are all set to 1.

These scores reflect the fact that non-EU immigrants require a pre-arranged visa for entry and do not pay intermediaries for services. Additionally, a residence permit is required for indefinite stays, and although a work residence permit is necessary, employment is generally allowed.

Questions 7 through 14, referring to Company Registration and Ownership, were evaluated using information from the Ministry of Economic Affairs and Communications of Estonia (2025). They were quantified as follows: Q7 = 10, Q8 = 10, Q9 = 10, Q10 = 0, Q11 = 10, Q12 = 0, Q13 = 0, and Q14 = 0.

In practice, non-EU immigrants can freely conduct business in Estonia, and the country provides extensive online services to support business needs. Non-EU citizens may act as directors of their companies and may apply to work as entrepreneurs. However, they face stricter banking requirements and must obtain a residence permit.

The next block, referring to Personal Affairs and Accommodation, is quantified using information from sources related to property ownership in Estonia (Ownership Property Estonia 2024). The scores for the corresponding four questions are as follows: Q15 = 5, Q16 = 0, Q17 = 0, and Q18 = 10. Foreigners can purchase property without restrictions, and a significant portion of Estonians, especially in urban areas, speak English.

The scores for the Social Services block, based on information from the Social Insurance Board of Estonia (2025), are as follows: Q19 = 10 and Q20 = 10. Once registered and contributing to the social system, non-EU immigrants gain access to healthcare; however, eligibility for pensions depends on the duration of contributions and length of stay.

Finally, the last two blocks, Specific Issues (questions 21–23) and Climatic and Other Natural Conditions (questions 24–25), are based on the sources cited previously, namely Expat Insider (2022) and WMO (2024). The corresponding scores are: Q21 = 5, Q22 = 5, Q23 = 2, Q24 = 0, and Q25 = 8.

The application of Equation (1) results in a total of 50 points out of a maximum normalized score of 250 (equivalent to 100 points).

This IMIGRENT index value for non-EU immigrants in Estonia is shown in the interactive map available at [https://datawrapper.dwcdn.net/4llx5/3/]. These scores reflect that, although Estonia is welcoming to skilled immigrants, integration can present challenges, and that the country has a relatively low crime rate. It should also be noted that average temperatures, sunshine hours, and humidity levels are not ideal year-round. The calculations for the other countries presented in Table 1 are based on institutions comparable to those used for the Republic of Estonia.

To explore statistical relationships among the indices, Pearson correlation coefficients were calculated for each pair (Freedman et al. 2007; Correlation Coefficient Calculator). The correlation between EUCHAM20 and IMIGRENT EU is 0.8435, while that between MIPEX and IMIGRENT EU is lower, at 0.6394. The stronger relationship between EUCHAM20 and IMIGRENT EU likely reflects the greater emphasis on economic factors in both indices, in contrast to MIPEX's more socially oriented focus (Koroutchev 2024).

Similarly, the correlations between EUCHAM20 and IMIGRENT NON-EU, and between MIPEX and IMIGRENT NON-EU, are 0.5449 and 0.4737, respectively, again showing a higher association for EUCHAM20. The lower correlations between EUCHAM20 and MIPEX, and between EUCHAM20 and the IMIGRENT NON-EU index, are due to significant differences in how EU and non-EU immigrants are treated, as captured by EUCHAM20 and MIPEX. However, the latter aims to promote equal treatment for non-EU immigrants in line with the rights afforded to EU citizens within the EU framework. A similar pattern to that observed for EU immigrants emerges: EUCHAM20 and IMIGRENT NON-EU show a stronger relationship than MIPEX does.

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DISCUSSION

The IMIGRENT index, applied in this article to the case of non-EU immigrant entrepreneurs, provides a new and comprehensive measure of the conditions for starting an entrepreneurial activity in a foreign country within the EU. Although the present analysis emphasizes the European context, the index is designed to be universal, applicable to any country and to entrepreneurs of all nationalities, as shown in this case for non-EU immigrants. By integrating a wide range of factors related to immigrant integration in host countries, it enables meaningful comparisons with two established indices, EUCHAM20 and MIPEX, while offering a broader perspective on entrepreneurial attractiveness.

The analysis shows that the three approaches produce broadly similar results for EU immigrants. However, the MIPEX index appears more strongly correlated with the IMIGRENT index for non-EU immigrants. At the same time, the IMIGRENT index adds valuable dimensions that refine the assessment. It accounts for factors such as company registration procedures, availability of online services, personal affairs, accommodation, and natural conditions. When analyzing the core components of the three approaches, it becomes evident that EUCHAM20 and the IMIGRENT index share similar economic and administrative elements. At the same time, MIPEX is more strongly oriented toward integration and adaptation policies, which are particularly relevant for assessing the situation of non-EU immigrants.

Regarding the specific issues included in the IMIGRENT index, climatic conditions in countries such as Finland and Estonia are notable factors that lower their overall scores. In Spain, weak institutions and unclear rules also reduce the score, whereas Germany performs well overall despite some remaining economic barriers. Italy's lower ranking reflects slow bureaucratic procedures and additional steps required for the recognition of foreign diplomas. France, although weaker in e-services, offers greater flexibility than Italy. Denmark and Sweden remain among the top performers, although property restrictions and harsh weather conditions slightly reduce their scores.

As a general observation, the analysis above shows that the Nordic countries, Estonia, Germany, Portugal, Iceland, Luxembourg, and the Netherlands occupy the top 10 positions in both cases of EU and non-EU immigrants. At the same time, Hungary consistently ranks last in Europe for starting a business.

As noted previously, the assigned weight is subjective and depends on the importance attributed to different aspects. Thus, the overall evaluation of a country's attractiveness for entrepreneurship varies according to entrepreneurs' individual interests and how they value each factor. The 25 key questions used in the simplified version of the analysis were selected by the author for their personal relevance, which is why each was assigned a weight of 1. It should be acknowledged, however, that assigning equal weight to all factors may not fully reflect entrepreneurs' general priorities. Nevertheless, this approach provides a sufficiently accurate overall picture of the issue. Moreover, while changing conditions and policies could alter the results over time, such changes typically occur gradually and usually do not significantly affect the assessment within a reasonable time frame.

Specific policy recommendations for lower-scoring countries, such as Hungary and Slovakia, could focus on improving procedures for company registration and ownership, as well as for personal affairs and accommodation. These challenges often arise from limited flexibility

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in areas such as fully electronic accessibility, permissions for individual entrepreneurship, and real estate procedures, among others.

It is also helpful to rank the leading countries by each set of criteria within the six main categories. For non-EU immigrants in the EU, the results closely mirror those observed for EU immigrants:

- Immigration Procedures: Denmark, Sweden, Estonia.
- Company Registration and Ownership: Denmark, Estonia, Finland.
- Personal Affairs and Accommodation: Estonia, Denmark, Ireland.
- Social Services: Germany, Belgium, France.
- Specific Issues: Portugal, Spain, Estonia.
- Climatic and Natural Conditions: Croatia, Greece, Italy.

It should be noted that these results are based on a selected set of questions that, according to the author, carry the highest weight. However, the IMIGRENT index is built on a broader set of 75 questions, and including all items may alter the rankings. This extended analysis will be necessary for a more complete understanding of entrepreneurial decision-making. A comprehensive study will be presented in a future publication, covering both EU and non-EU entrepreneurs who wish to start a business in Europe.

To conclude, the following section examines the implications of the results and the proposed methodology for EU migration and entrepreneurship policies. Unlike frameworks such as MIPEX, which primarily assess legal, civic, and social integration, the IMIGRENT index focuses on structural factors that facilitate entrepreneurial activity, including company registration procedures, residence and citizenship regulations, housing availability, and environmental conditions. As an emerging analytical tool, it shifts EU migration policy toward capability-oriented integration, framing entrepreneurship as a pathway to social inclusion. Its application, refinement, or broader adoption at the EU level could help reconcile economic migration governance with integration policies, thereby supporting the Union's goal of fostering socially cohesive and innovation-driven mobility.

The IMIGRENT index provides national governments with a multidimensional tool for evaluating their relative attractiveness to migrant entrepreneurs. Beyond serving as a descriptive comparative measure, it can guide strategic planning, regulatory reform, and policy assessment within national migration and entrepreneurship agendas. In this way, the index functions not merely as a metric but as a diagnostic framework that helps align economic and migration policy objectives. Each component of the IMIGRENT index corresponds to a concrete policy domain. Ministries of economy or trade can use it to simplify company registration procedures and reduce administrative barriers for foreign founders. Ministries of interior and justice may reform residence and citizenship pathways to support long-term entrepreneurial participation. At the same time, housing and environmental authorities can ensure that urban and ecological infrastructures foster a business-friendly environment.

The EU Action Plan on Integration and Inclusion 2021–2027 (European Commission 2020a) establishes a comprehensive framework to promote social cohesion and equal participation for migrants and EU citizens with a migrant background. Its four priority areas, education and training, employment and skills, health and access to services, and active participation and inclusion, address integration barriers through targeted support, skills

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recognition, encouragement of entrepreneurship, and facilitation of social interaction between communities. While the Action Plan is primarily oriented toward social inclusion, the IMIGRENT index provides a complementary, economically focused perspective by assessing how institutional, environmental, and legal conditions shape entrepreneurial inclusion within host societies. Integrating insights from the IMIGRENT index into the Action Plan's monitoring architecture could strengthen policy coherence and enhance evidence-based evaluation.

From the other side, the New Pact on Migration and Asylum (European Commission 2023) represents the EU's effort to establish a comprehensive, sustainable, and solidarity-based framework for migration governance. While the Pact primarily addresses asylum procedures, border management, and responsibility sharing among EU Member States, it also introduces an important forward-looking economic and integration dimension. The Pact emphasizes that migration should not only be managed but also shaped as a lever for growth, skills development, and innovation within the European economy.

In this context, the IMIGRENT index provides a valuable analytical tool for translating these policy goals into measurable outcomes. By quantifying the institutional, legal, and environmental conditions that enable migrant entrepreneurship, the IMIGRENT index complements the Pact's focus on legal pathways and skills partnerships. It helps operationalize the EU's aspiration for a more opportunity-oriented migration system.

Finally, the EU SME Strategy for a Sustainable and Digital Europe (European Commission 2020b) sets out a vision to empower small and medium-sized enterprises (SMEs) as the backbone of the European economy while driving the twin transitions toward sustainability and digitalization. Within this framework, migrant entrepreneurship represents a crucial yet often underexplored source of innovation, resilience, and cross-border competitiveness.

The IMIGRENT index, by systematically evaluating the institutional and environmental conditions that shape migrants' entrepreneurial experience, offers a valuable analytical lens for aligning national and EU-level SME policies. It enables policymakers to identify where supportive ecosystems for migrant entrepreneurs align with, or diverge from, the objectives of the EU SME Strategy.

CONCLUSION

This paper explores the factors that determine the attractiveness of different countries for entrepreneurial activity and proposes a comprehensive framework for assessing it. Building on internationally recognized indicators from the World Bank, Transparency International, and the MIPEX Index, the study introduces the Immigrant Entrepreneurship Index (IMIGRENT) as a new tool for evaluating the business environment from the perspective of immigrant entrepreneurs. By incorporating detailed elements related to company registration, personal documentation, accommodation, administrative procedures, and natural conditions, and by integrating country-specific legal requirements, the IMIGRENT index provides a more nuanced and accurate assessment of entrepreneurial opportunities.

The comparative analysis of IMIGRENT scores for EU and non-EU immigrants shows that differences primarily stem from host-country legislation and the entrepreneur's legal status. Nevertheless, countries that rank highest for EU immigrants also tend to rank highest for non-EU immigrants, and those with the lowest scores remain consistently at the bottom. This

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consistency suggests that the index is a reliable measure of entrepreneurial attractiveness across different migrant categories. Ultimately, a country's suitability for entrepreneurial activity depends on entrepreneurs' individual priorities and preferences.

Beyond measuring economic conditions, this study emphasizes that immigrant entrepreneurship is a meaningful lens for evaluating broader issues of liberty, equality, and human rights. By positioning the IMIGRENT index as both a technical indicator and a policy-assessment tool, the analysis illustrates how legal frameworks, access to permits, property rights, anti-discrimination protections, and institutional support systems collectively shape immigrants' ability to exercise economic freedom and achieve social inclusion. The findings underscore that entrepreneurial outcomes are deeply connected to institutional and policy structures, revealing both opportunities and constraints in realizing fundamental rights (IOM 5 Keys 2025).

Finally, the study highlights key policy recommendations to ensure equal entrepreneurial opportunities regardless of citizenship status. Streamlining licensing, registration, and permit procedures can help immigrants gain equitable access to legal and administrative channels. Strong enforcement of anti-discrimination legislation in financial services, public procurement, and business support programs is essential. Embedding a human-rights approach ensures that entrepreneurship functions not only as an economic activity but also as a vehicle for safeguarding migrants' rights and promoting social justice. Public and community-based funding mechanisms, including microloans, grants, and low-interest credit, should be made accessible to immigrant entrepreneurs. At the same time, financial inclusion policies must confront structural biases in private lending. Recognizing foreign credentials and professional experience allows immigrants to fully utilize their human capital, fostering efficiency, innovation, and meaningful integration. Coordinating support for immigrant entrepreneurship with labor-market integration, social services, and regional development strategies maximizes both economic contributions and social cohesion, reinforcing the developmental potential of migration. Although the IMIGRENT index contains an element of subjectivity, having been designed around the entrepreneur's own perspectives and criteria, this does not necessarily constitute a limitation of the study. Potential limitations include the scarcity of comparable datasets and the absence of survey data from entrepreneurs already established in a given country.

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CONTRIBUTOR

The author contributed solely to the intellectual discourse that forms the foundation of this article, as well as its writing and editing, and assumes full responsibility for its content and interpretation.

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APPENDIX

1) Immigration Procedures

Q[1] 1_1 — Weight: Your preference × Points according to legislation
Is immigration possible?
Is a visa or similar pre-arranged permit needed for entry as a visitor for a short stay (less than 30 days)?

- If no visa or pre-arranged permit is needed → **10 points**
- If a visa on arrival is needed with no supporting documents or pre-arranged procedure, → **7 points**
- If a pre-arranged travel permit (US ESTA, Australian ETA, EU ETIAS, etc.) is needed → **5 points**
- If an e-visa before arrival is needed → **3 points**
- If a sticker visa obtained through a consulate or visa agency is required → **0 points**

Q[2] 1_2 — Weight: Your preference × Points according to legislation
Are the immigration procedures clear?
A clear official website exists where the user can understand the entire process in under 20 minutes, and all procedures are available in a major international language.

- If yes → **10 points**
- If no (or if information is available only in the local language and requires up to 1 hour) → **3 points**
- Otherwise → **0 points**

Q[3] 1_3 — Weight: Your preference × Points according to legislation
Does the applicant have to pay to access the immigration authorities or obtain a positive outcome? (e.g., being unable to get an appointment unless intermediaries are used)

- If no → **10 points**
- If yes → **0 points**

Q[4] 1_4 — Weight: Your preference × Points according to legislation
Does a foreign citizen need a permit to stay in the country indefinitely?
Border runs that allow renewal of stay count as "no permit needed."

- If no → **10 points**
- If yes → **0 points**

Q[5] 1_5 — Weight: Your preference × Points according to legislation
Is a foreign citizen allowed to work?

- Allowed as both employee and self-employed → **10 points**
- Allowed only in one category → **5 points**
- Not allowed → **0 points**

Q[6] 1_6 — Weight: Your preference × Points according to legislation
Is recognition of foreign-issued diplomas or qualifications necessary?

- If no → **10 points**
- If yes → **0 points**

2) Company Registration and Ownership

Q[7] 2_1 — Weight: Your preference × Points according to statistics
Is it possible to freely carry out business activities without being hindered, racketeered, or blackmailed (including unofficial means or positive discrimination) by government or competitors?

- If yes → **10 points**
- If no → **0 points**

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- Intermediate values possible

Q[8] 2_2 — Weight: Your preference × Points according to legislation
Is it possible to complete the vast majority of paperwork online?
- If yes → **10 points**
- If no → **0 points**

Q[9] 2_3 — Weight: Your preference × Points according to legislation
Can a foreign citizen obtain a digital signature to conduct all professional and personal transactions under similar conditions as local citizens?
- If yes → **10 points**
- If no → **0 points**

Q[10] 2_4 — Weight: Your preference × Points according to legislation
Can a non-resident foreign citizen open a bank account and carry out transactions under the same conditions as local citizens?
- If yes → **10 points**
- If no → **0 points**

Q[11] 2_5 — Weight: Your preference × Points according to legislation
Can a foreign citizen be a director of his or her own company?
- If yes → **10 points**
- If no → **0 points**

Q[12] 2_6 — Weight: Your preference × Points according to legislation
Does a foreign citizen need a work or residence permit to be a director of his or her own company?
- If no → **10 points**
- If yes → **0 points**
- Intermediate values are possible if restrictions exist

Q[13] 2_7 — Weight: Your preference × Points according to legislation
Is a foreign citizen allowed to work as an individual entrepreneur and reside in the country on that basis?
- If yes → **10 points**
- If no → **0 points**

Q[14] 2_8 — Weight: Your preference × Points according to legislation
If yes, is a work permit required?
- If no → **10 points**
- If yes (or if individual entrepreneurship is not permitted) → **0 points**

3) Personal Affairs and Accommodation

Q[15] 3_1 — Weight: Your preference × Points according to legislation
Can a foreign citizen buy real estate?
- If yes → **10 points**
- If no → **0 points**
- Intermediate values are possible if restrictions apply

Q[16] 3_2 — Weight: Your preference × Points according to legislation
Are foreigners residing in the country allowed to drive indefinitely using their foreign driver's license?
- If yes → **10 points**
- If no → **0 points**

Q[17] 3_3 — Weight: Your preference × Points according to legislation
Is it possible to drive a vehicle registered abroad while residing in the country?
- If yes → **10 points**
- If no → **0 points**

Q[18] 3_4 — Weight: Your preference × Points according to statistics
Do at least 50% of local people speak English at a conversational level?
- If yes → **10 points**
- If no → **0 points**

4) Social Services

Q[19] 4_1 — Weight: Your preference × Points according to legislation
Are resident foreigners allowed access to healthcare under the same conditions as citizens?
- If yes → **10 points**
- If no → **0 points**

Q[20] 4_2 — Weight: Your preference × Points according to legislation
Are foreigners allowed to receive a pension under the same conditions as citizens?
- If yes → **10 points**
- If no → **0 points**

5) Specific Issues

Q[21] 5_1 — Weight: Your preference × Points according to statistics
Are foreigners welcome?
- If yes → **10 points**
- If no → **0 points**

Q[22] 5_2 — Weight: Your preference × Points according to statistics
Crime index
- Minimum = 0
- Maximum = 10

Q[23] 5_3 — Weight: Your preference × Points according to statistics
Is the country at war, at risk of war, or affected by significant terrorist groups?
- If no → **10 points**
- If yes → **0 points**
- Intermediate values possible

6) Climatic and Other Natural Conditions

Q[24] 6_1 — Weight: Your preference × Points according to statistics
Climatic comfort:
- Average monthly temperature below 15°C or above 30°C → **0 points**; otherwise → **4 points**
- Average monthly sunshine hours below 120 or above 360 → **0 points**; otherwise → **3 points**
- Average monthly relative humidity below 45% or above 65% → **0 points**; otherwise → **3 points**

Q[25] 6_2 — Weight: Your preference × Points according to statistics
Endemic illnesses (e.g., malaria, dengue, or other serious or fatal endemic diseases)
- If no → **10 points**
- If yes → **0 points**

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