

Asset Factsheet

Establishing a Business Vision - Promoting Entrepreneurship for the Productive Reintegration of Returned Migrants in Guatemala



Entrepreneur José Luis Alberto Reyes Argueta participated in the project's incubator workshop.

Capacity Strengthening for Entrepreneurship

The project "New Opportunities" in Guatemala contributed to the capacity building of returning migrants in entrepreneurship, focusing on both business ideas and already established businesses. Project partners offered services, facilities, and adapted their training processes, understanding the need for personalized attention of returning migrants. The goal of the project was to help bridge theoretical gaps and strengthen knowledge and experiences acquired by returning migrants. An innovative element was to establish a business incubator tailored to the profile of Guatemalan migrants, involving local stakeholders such as municipalities, civil society organizations, churches, and academia. Furthermore, the project aimed at raising awareness, promoting existing entrepreneurial ventures of returning migrants.

The methodology consists of three phases: pre-incubation, incubation, and acceleration, and is aimed at ensuring that individuals, upon completing the process, have a validated business model and improved chances to access the labor market.

CONTEXT

Irregular migration between Guatemala and the United States reveals a diverse group of migrants, including many indigenous people from the Mam, Quiché and Kaqchiquel regions. They migrate due to the loss of livelihoods from monocultures, agricultural decline, and climate change. Consequently, irregular migration to northern countries has increased, as people are seeking to improve the quality of life for themselves and their families. The Guatemalan Migration Institute (IGM) identifies five territories located in the northwest of the country with the highest return rates: Huehuetenango, San Marcos, Quiché, Quetzaltenango and Guatemala.

Target Group

The project defined a "returned migrant" as someone who migrated regularly or irregularly (regardless of the cause of their migration) to another country and has returned in a forced, voluntary or assisted manner. The target group was adult returnees with at least two years abroad, who have developed skills in the construction and hospitality industry.

Partners

- Cooperativa de Ahorro y Crédito San Miguel Chuimequena, R.L. (COSAMI)
- Impacto Empresarial
- Servicios de Consultoría Pro-Integral, S.A. (Switch)
- Centro Municipal de Emprendimiento (CME) Guatemala
- Fenacoac

PROJECT NAME

New Opportunities

SHORT DESCRIPTION

The project aims to support the creation of a consolidated network of public and private service providers in Guatemala to facilitate the productive reintegration of returnees, validating their entrepreneurial skills acquired abroad and supporting their integration into the labor market in Guatemala.

PROJECT DURATION

2021-2024

IMPLEMENTER

Swisscontact

FUNDING PARTNERS

Green Leaves Education Foundation, and Däster-Schild Foundation, among other donors. The project is part of the Swisscontact Development Programme, which is co-financed by the Swiss Agency for Development and Cooperation (SDC), Federal Department of Foreign Affairs (FDFA).

LOCATION

Guatemala: Guatemala City, municipalities of Coatepeque and Quetzaltenango.

CHALLENGES

The return process for migrants is often complex. They face challenges related to their status as migrants and poverty in their communities. However, business support organizations should see them as valuable contributors with unique experiences. Migrant returnees bring assets and skills from their immigration journeys, making them valuable to their communities and businesses.

For Swisscontact, the main challenge was helping partners identify and profile returned migrants. This process depends not only on the skills that people acquired abroad but also on external factors such as deportation status, educational and socioeconomic background, family relationships and ethnic origin. The profiling required investments in technical and human resources and raising awareness and creating strategic alliances with local actors, such as municipalities and training centers.

APPROACHES

- **Social Network Analysis (SNA):** The project analyzed the entrepreneurship ecosystem in Guatemala using Social Network Analysis (SNA) and created action plans.
- **Entrepreneurship training:** Swisscontact supported the strengthening of institutional capacities in areas such as knowledge transfer and business acceleration methods. The approach was a participatory methodology tailored to returned migrants with varying levels of education and experience. A key aspect has been personalized mentoring, which has allowed closer attention to individuals' needs in overcoming personal and professional challenges
- **Financial education:** The project integrated financial education modules into entrepreneurship trainings.
- **Seed capital:** The project provided competitive seed capital for selected ventures.
- **Connections:** The project facilitated connections between returned individuals and support entities to enhance skills in their targeted entrepreneurial sectors.

ACHIEVEMENTS

Our achievements in Guatemala were:

- **264** people (18% female) accessed entrepreneurship training processes
- **21** companies accessed acceleration processes
- **73** companies were created

Replication potential

Based on the experience of running business incubator programmes, partner institutions have established new technical training areas such as acceleration, technical assistance, and employability consultations, responding to the demands of returned individuals.

LESSONS LEARNT

Adapting Institutional Processes for Vulnerable Returnees. Building entrepreneurial capacity among returned migrants requires adapting institutional processes that were not originally designed to address the needs of this vulnerable group. Many returnees, despite gaining work experience abroad, have low educational attainment, and these gaps often remain unchanged upon their return. The project addressed this by focusing on the development of soft skills, which proved crucial in supporting their reintegration.

Dispelling the Myth of Financial Readiness. A major lesson learned was the need to challenge the assumption that returnees possess the financial resources to start businesses. In many cases, their migratory journey is interrupted, and they return under difficult conditions. However, they often have business concepts from their work abroad that are new to their home regions. Supporting these entrepreneurs requires addressing their financial vulnerabilities while leveraging their experience-based knowledge.

Addressing Limited Reach and Dropout Rates. Another significant challenge was the project's limited reach among returnees, coupled with high dropout rates during training. Many participants had to prioritize meeting basic needs over attending training sessions. This highlights the need for integrating comprehensive support systems, including psychosocial assistance, to ensure sustained engagement and to develop a more systemic approach to supporting returnees.

The Importance of Coordination and Synergy. Effective coordination, collaboration, and inter-institutional synergy were key in addressing the challenges faced by returnees. These elements have been vital in providing the necessary support for the socio-economic reintegration of returnees, reinforcing the importance of dialogue between institutions to ensure that services are aligned and effectively delivered.

IMPACT STORY

Jose Luis: A Sweet Success Story

José Luis Alberto Reyes Argueta, a native of Quetzaltenango, left Guatemala with the dream of providing a better life for his family. He spent 10 years in the United States, working in construction, remodeling, cooking, and baking. It was his last job, baking, that truly ignited his passion.

Upon returning to Guatemala, Jose Luis began preparing cakes, drawing on the skills he had honed abroad. He joined the New Opportunities project and earned a certificate in pastry making. With this certification, he launched his own business, "El Toque Reyes."



Determined to grow his business, Jose Luis entered the project's entrepreneurship training program. His main goal was to learn about finance to help his business thrive. During this training, he developed a new product for people with low tolerance to sweets, including diabetics. This innovative product quickly gained popularity, attracting customers from various locations. At the end of the training process, Jose Luis participated in the project's seed capital competition and proudly secured first place.

Today, Jose Luis and his family run a successful bakery, with all members dedicated to the family business. Jose Luis's journey is a testament to the power of passion, and the right entrepreneurial support. His story inspires other returning migrants to see their experiences as valuable assets and to pursue their entrepreneurial dreams.



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