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Seminar on “Promoting migrant entrepreneurship as an opportunity for economic and social growth”

1 March 2018



This activity is part of the project MEGA which has received funding from the European Union's COSME Programme (2014-2020)



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etorkizuna lantzen
por y para el desarrollo

Tel.: 94 424 32 23 · Fax: 94 424 80 02 · email: garapen@garapen.net
Boroa Enpresa Parkea, Boroa Elkartegia 19, 2. solairua, 16 Bulegoa
48340 Amorebieta-Etxano, BIZKAIA



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Contents

CONCLUSIONS	3
• TABLE 1: "Communication and how to reach potential migrant entrepreneurs"	3
• TABLE 2: "Entrepreneurship support services offered by different institutions"	5
• TABLE 3: "Access to financing"	6
• TABLE 4: "Public procurement for socioeconomic integration"	7



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CONCLUSIONS

TABLE 1: “Communication and how to reach potential migrant entrepreneurs”

One of the biggest problems detected regarding associations that work with immigrants, is this community’s fear of any entity, association, institution, etc. The insecurity arising from being involved in complex legal-administrative situations deters immigrants from any proactive approach on their part.

The group of participants agrees that it is important that these entities convey trust to the people who approach them. It is important to have a person who acts as a facilitator between the immigrant community and associations, institutions, etc. Someone who profoundly understands their situation, is able to build trust and in turn inform them about the services available to them (regarding economic promotion, career guidance, entrepreneurship, and other services). Another important element is ensuring the availability of a legal service or an expert who can answer the questions of undocumented immigrants and those working in the shadow economy. The technical component is very important.

To attract immigrants with an interest in undertaking an economic activity, it is important to approach associations, groups, events, etc. in which future entrepreneurs will regularly participate and present the different services that can be offered in a direct, even personalized way. The personal component is very important and in many cases entrepreneurs have a specific reference person whom they trust, while the institution or entity in which that contact person works becomes of secondary importance.

Social networks, word of mouth, etc. can provide better results than more elaborate information campaigns (brochures, posters, etc.).

Meeting spaces such as forums, debates, talks, etc. are very important for immigrant entrepreneurs to share information among themselves, for associations working in this field, local development agencies, municipal departments and other administrations, entities that offer services for this group, etc.

It is important to give greater visibility to the success stories of those entrepreneurs of immigrant origin. To explain in detail how they have overcome barriers, difficulties, resources available to them, etc.—this could be very enriching and inspiring for other people.

We have seen the importance of working in a network. There are many entities, associations, administrations that work towards the promotion of entrepreneurship (although there isn’t a



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specialized service for the immigrant community in all cases) and then there are also associations and entities that have the legal know-how (immigration law, reports on immigrant assimilation, legal limbo, etc.). It is very important to join forces, generate synergies and for people who work in job counselling or entrepreneurship promotion to work very closely with those working in the legal field.

Social integration is achieved gradually from immigrants' participation in these forums and participation in the economic reality of the municipality in which they reside.



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TABLE 2: “Entrepreneurship support services offered by different institutions”

What are the needs and difficulties faced by a migrant entrepreneur when starting a business?

- One of the biggest difficulties for migrant entrepreneurs is the issue of legal documentation. Not having legal status means they cannot start the necessary paperwork or have access to financing. In the end it is a circle from which it’s hard to escape. Obtaining the necessary legal papers can take up to 3 years.

Public administration is not prepared for these situations. Obtaining residency is just one obstacle after another.

- Training or education: there are migrants who start businesses because of the rush to generate income but in reality they do not have the necessary training to manage the business.

They require training that is not too long and that can be combined with setting up the business—in other words, learning the necessary skills as required during the course of starting the business.

Training should be given by people who have real experience in entrepreneurship or setting up a business.

- Public administration needs workers who are more aware of the reality of migrants (customs, language, etc.), people who know how to translate regulations into a language that is easily understandable by all.

In this sense, it is essential to foster collaboration between public administration and associations.

How should the existing service be adapted?

- Employ people with greater sensitivity towards the reality of migrants.
- Provide visibility for migrants in public spaces.
- Provide visibility for specific examples of migrant entrepreneurs.
- Incorporate training into business management so that it overlaps with the setting up of the company.



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TABLE 3: “Access to financing”

One of the difficulties that entrepreneurs face is the lack of financing for starting their business. This problem is compounded when the beneficiary is a migrant.

The table agreed that financing is necessary especially at the point of starting the project. Financing is needed above all at the initial stage, although it is true that, in many cases, migrant entrepreneurs informally finance the project with initial savings that many of them have.

All the people at the table agreed that the main entities that offer financing (both for this group and for the native population) are traditional banks via microcredits etc.

Other financing alternatives would be Koop 57, crowdfunding platforms and social business angels. In Catalonia there are business angels that invest in social projects.

A very interesting case was discussed at the table in which, as the result of a project, a number of immigrants met and got to know each other and the immigrant entrepreneurs who participated in this project provide financing for the entrepreneurs who are launching the project and have also participated in it. This is organised via a contract.

All the immigrants agree that the support they most require is help in finding financing. That is, help in knowing what funding they have access to and which support entities they should approach. They emphasize the complexity of the existing system, support entities, etc. They commented that there are many support entities but they are not sure which one they should approach based on the type of project being set up. A lack of legal status, of residence/work permits, and other administrative difficulties significantly impede access to financing for the creation of companies and self-employment.



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TABLE 4: “Public procurement for socioeconomic integration”

Public procurement accounts for approximately 15% of GDP, and is therefore an important resource and tool for promoting the contracting of local companies.

The new law on public procurement opens up new opportunities for Socially Responsible Public Procurement, following social criteria (local development, equality, diversity, fair trade, etc.) and environmental criteria.

City councils are taking steps to favour the contracting of micro-enterprises (usually local companies) to promote local development. Specifically:

- Information and training for those responsible for this field in municipalities: secretaries, controllers, technicians and politicians.
- Information and training for local micro-enterprises: most of them do not know how to bid for public administration contracts.
- Parcelling out contracts: so that contracts are for lower amounts and therefore micro-enterprises can bid for them.

The table discussed several experiences from local councils and local entities:

- In the case of the Provincial Council of Burgos they are working on the parcelling out of contracts. Contracts are published and distributed into several parcels and they are even incorporating the requirement that only two or three parcels can be awarded to the same company in order to benefit a greater number of companies.
- In the Beterri-Buruntza region, the Socially Responsible Public Procurement Strategic Plan 2018-21 has been approved with several measures:
 - » Inventory of contracts awarded by the different town councils
 - » Training and awareness for politicians, municipal technicians (who prepare the contract specifications) and secretaries and controllers.
 - » Breaking up large contracts into parcels, to enable access for micro-enterprises and insertion companies, etc.
 - » Training social agents, micro-enterprises and third-sector entities.
 - » Creating an observatory to analyse the progress of these contracts, their monitoring and as a marketplace for demand and supply.



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- Getxo is about to publish a guide for companies to advise them on this issue.

Large companies are taking steps to maintain their level of contracts and are creating insertion companies and special employment centres to be able to also opt for contracts with social and market protection clauses.

It is a complex issue but there is a lot of scope for action especially in the provision of information/training to both the supply and demand, the parcelling out of contracts and in political positioning regarding Socially Responsible Public Procurement.