



**MEGA**  
MIGRANT ENTREPRENEURSHIP GROWTH AGENDA

# Migrant Entrepreneurship Growth Agenda MEGA GA 764419

National Needs Assessment - SPAIN

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## 3.- CHALLENGES AND RECOMMENDATIONS– MAIN NEEDS AND AREAS OF IMPROVEMENT

### 3.1.- Challenges

This part aims at identifying key needs and areas of improvement on the basis of the structured information collected in Parts I and II. We invite you to elaborate this part clearly because it can/should serve as a stand-alone document (along with Part III.2 below) to inform country-wide policy debate.

#### 1. Lack of awareness of the reality of migrants

Local administrations lack awareness of the reality faced by migrants in their territory. They are unaware of the data on the migrant population or the entrepreneurial and business activity of people of foreign origin.

Having information and data is fundamental in order to convince the political decision-makers that these people contribute to our economy and society and the need to incorporate measures into entrepreneurship policies.

#### 2. Administrative obstacles.

In many cases, the technical personnel that assist migrants are unaware of the basic concepts of immigration. It's important for these people to have basic knowledge of this so that they can offer the correct advice to migrant entrepreneurs.

The creation of new companies by people of foreign origin is affected by 2 laws:

- Law 4/2000 of the 11th of January on the rights and liberties of foreign nationals in Spain and their social integration.

The majority of self-employment work permits are covered by this law. The main barrier that this puts up is that, to apply for this permit, the person has to **prove that they have lived in Spain for 3 years**. Also, they must provide evidence that they have potential clients (provision of services pre-contract). According to the law, processing takes up to 3 months but, depending on the initial situation of the entrepreneur (in an irregular situation, studying, foreign residence, compatibility...) the process can take longer

- Law 14/2013 of the 27th of September on support for entrepreneurs and their internationalisation.

This permit can even be obtained before arrival in Spain as long as the new activity complies with at least one of the 3 following conditions: It is innovative. It generates employment. It is of interest for Spain.

In this case, this law is relatively unknown as it is only used in rare instances.

#### 3. Diversity of suppliers.

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

In Spain, there are 4 channels for favouring the contracting of local companies:

- Reserved contracts.
- Award criteria.
- Execution conditions.
- Direct contracting of companies headed by migrant companies.

Equally, private companies have a social responsibility and could contract local companies to a greater extent.

There are interesting experiences to be gained by working on the collaboration between driving-force companies and potential supply companies led by people of foreign origin.

#### 4. Linguistic and cultural awareness.

Language is a significant barrier faced by people of foreign origin when they arrive in a new place.

In cases where these people are Spanish-speaking, they have a basic knowledge of the language but this is often not sufficient in order to understand the complex and technical language used by public entities (Treasury Department, social security,...).

In other cases, where they are not Spanish-speaking, they don't know the language so it's more complicated for them to access a support entity. In these cases, they need other prior services, language training, before setting up a business.

#### 5. Visibility

The problem of visibility concerns both foreign nationals and Spanish natives:

The former need to be aware of the services that they can access when creating a company and approach them. They also need models of other migrants who have managed to build their own companies successfully.

The latter need to know that these migrants constitute an opportunity for our society and our economy. They need to be aware of the potential that these people contribute to our society.

#### 6. Support networks

Although the individual entrepreneurship process is complicated for anybody due to the uncertainty and doubts that arise along the way, this solitude is heightened when the entrepreneur comes from another country and doesn't have a community to support them. Establishing connections with other people is very important.

It's extremely important for the entrepreneur to be accompanied throughout the entire entrepreneurship process.

The COVID-19 pandemic has highlighted this problem and requirement, making them more visible.

## 7. Governance

There is a great lack of coordination and awareness between entities that support entrepreneurship and entities (in the majority of cases, non-profit organisations) that offer support to migrants. More often than not, there is no relationship between these entities.

In the majority of cases, the entities that support entrepreneurship are unaware of the reality of migrants, their legal obligations, etc.

On the other hand, in many cases, the associations that work with migrants are unaware of the existing resources related with entrepreneurs in their local and regional area.

## 8. Adaptation of existing services

There are many entities that offer support services to entrepreneurs. Even so, the majority of them are not focussed on providing a service for migrants.

In the majority of cases, these people lack the necessary knowledge in terms of creating a company and therefore need more specific and personal support than other people and also require more support when accessing other institutions such as Social Security, the Treasury Department, etc.

## 9. Digital divide

The pandemic has also highlighted another problem or weakness that maybe wasn't so visible up until now. The digital divide.

The migrant community faces many difficulties when accessing these existing virtual services, benefits,... because they lack the necessary tools for this purpose. Also, they do not have a digital certificate for carrying out procedures with the administration.

Finally, it's worth highlighting that the migrant community is extremely varied and diverse. There are many characteristics that differentiate them and make the way each case is addressed very varied.

## 3.2.-Recommendations

This part aims at providing concrete measures for better migrant entrepreneurship support by positively rephrasing the identified needs, under Part III.1. We invite you to elaborate this part clearly because it can/should serve as a stand-alone Policy Brief document to in-form country-wide policy debate.

### 1. Data collection

- Execution of a diagnostic evaluation of the country to find out about the migrant entrepreneurial population and their needs and potentialities.
- Adaptation of the data collection form for entrepreneurship services to gather data of interest.
- Find out these people's intangibles and see how they can provide value and contribute to the country's specialisation strategies.

### 2. Legal procedures

- Streamline and reduce the processing times of permits.
- Increase flexibility in attainment of the self-employment work permit: the same is not required of these people as it is of Spanish nationals.
- Train entrepreneurship technical personnel in legislative and legal matter in this field.
- Offer advice in legislative and legal matters to migrants who want to get their self-employment work permit.
- Authorise other entities, for example, development agencies, so that they can issue valuation reports.
- Provide visibility for people who have obtained their permit through law 14/2013.

### 3. Diversity of suppliers

- Compile an inventory of the contracts made by the administration identifying those that local companies could opt for individually or as a group.
- Breaking up large contracts into parcels, to enable access for micro-enterprises and insertion companies.
- Raise awareness and train administration personnel in the different channels for contracting in a way that aligns with criteria of social responsibility.
- Raise awareness among large companies and inform them so that they contract local companies.
- Promote collaboration between small local companies and driving-force companies.
- Raise awareness among local companies and inform them of the possibility of contracting with the administration.

#### 4. Communication barriers

- Adaptation of basic materials making them available in the corresponding languages.
- Raise awareness among technical personnel in support agencies and entities so that they provide a service that meets the needs of these people.
- Make proper use of the role of mediator. These are foreign nationals who work in the entrepreneurship support services. These people have first-hand knowledge of what people of foreign origin need and therefore know how to help them.

#### 5. Visibility

- Create models. It's important to create models, especially those of migrant women who have become entrepreneurs and created a company, as they are often grouped into one single type of employment: cleaning and care work.
- Raise awareness among citizens about the potential that migrants offer our society.
- Raise awareness and make it known that there is a qualified and trained human capital that is being wasted.

#### 6. Support networks

- Use the role of mediator to access these people and communities.
- Promote links between local people and those of foreign origin.
- Encourage these people to participate in formal economic forums (trade associations, entrepreneur networks, etc.).
- Promote collaborative entrepreneurship to tackle the entrepreneur experience from a less hostile position and one with greater support.

#### 7. Governance

- Encourage meetings between these entities to find out about each entity's actions and facilitate collaboration.
- Define an action protocol and itinerary in order to promote coordination between entities.

#### 8. Adaptation of existing entrepreneurship services

- Personalised itinerary from the point where the idea is identified to the setting up of the company.
- Business training aimed at raising awareness of the regulatory, educational and linguistic contexts of the target country.
- Mentoring.

- Support in access to funding. Raise awareness of the existing funding that best meets their needs.
- Provision of spaces such as incubators, coworking, that offer better conditions than those of the market.

#### 9. Digital divide

- Provide spaces where these people can carry out their procedures (like KZ guneak, ...).
- Train these people in digital tools.

#### 10. Specific focus

Different needs require different measures. The migrant community, as we mentioned before, faces different challenges when embarking on the entrepreneurship process and this calls for the creation of specific measures and programmes that meet its requirements and not the other way around, which is often the case, seeing migrants adapt to already-existing programmes.

Equally, the casuistry and reality of each migrant is very different and, for this reason, each person should be worked with on an individual basis to find a solution that is specific to each case.



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