Report on Immigration and Entrepreneurship 2016

IDOS with the collaboration of CNA and MONEYGRAM

Summary of key data

Immigrants-owned businesses became a wide spread social phenomenon in Italy since 1998 – when the Turco-Napolitano law (no. 40/1998) admitted third Eu countries citizens to open and to manage their own enterprises, even in the case there was no prevision of reciprocity for Italian citizens in their origin countries.
In recent years the phenomenon developed and increased, altogether with the growth of immigrant workers and even during the last period of economic downturn, which forced thousands of them to repatriate after losing their job or caused a credit crunch for small businesses (especially if owned by immigrants), as immigrants have been motivated to start more and more businesses in order to have a viable alternative to unemployment or to look for market sectors and opportunities which are not sought after by Italian entrepreneurs.

Furthermore, such a growing and strengthening entrepreneurship could represent a bridge of union between Italy and the immigrants' countries of origin, thanks to both remittances (which contribute to the well-being of their families) and the creation of businesses in the countries of origin themselves (mainly consisting of commercial exchanges of Italian goods).
A third opportunity is that origin countries can become, as often it actually happens, market for Italian goods and services, whose international trade is favored by foreign entrepreneurs active in Italy.
It is more and more evident that immigrant entrepreneurship is a complex scenario in which personal, legal, economic, commercial and organizational aspects are intertwined together.

The main features of immigrants entrepreneurship could be so summarized:
- Self-employment is one of the best forms of integration: creating and managing a business, even if of small dimensions, is a fundamental creative expression for our society, since it stimulates and enhances personal skills, creates wealth, expands employment and responds to the needs of everyone involved.
- Migrant entrepreneurs have shown great resilience, as the growth of their number in Italy has not been discouraged by an inflation of laws and regulations, nor by the credit crunch or other hindering factors.
- Immigrant entrepreneurship is multifaceted, as it merges together tradition and innovation, which (if combined together) ensure lasting progress over the time.

Enterprise in Italy and immigrant entrepreneurship: a general overview

According to Unioncamere, in December 31 2015 there were 6,057,647 enterprises officially registered and 9.1% of them (550,717) were immigrant-owned enterprises.
In order to properly identify "immigrant-owned enterprises " , Unioncamere takes into account the place of birth of their owners (in case of sole proprietorships) or of the majority of stakeholders, administrators and share or property holders (in case of other forms of enterprise), thus including in this category a non-negligible number of enterprises started by Italians born abroad and then repatriated, usually from the main countries of destination of the Italian diaspora. But nevertheless, such unavoidable bias, (unavoidable in this moment), does not hamper the general considerations

and findings out, and lets us to give a reliable insight on main entrepreneurship and self-employments trends among immigrants.

The overall number of enterprises operating in Italy, showed a slight (0.7%), increase in 2015 compared to 2014 (6,041,187), entirely due to the immigrants-owned enterprises, which passed from 524,000 to 550,000, (5.0%) while the native-owned enterprises declined from 5,516,000 to 5,506,000 (-0.2%) mostly because of the crisis that affected the manufacturing sector.

Five year trends

Between the end of 2011 and the end of 2015, almost 100,000 new " immigrant-owned enterprises" were registered (96,688, +21.3%), for a total amount over half a million (550,717) , equal to 9.1% of the total number of enterprises currently operating in Italy.

In the same time Italians-owned enterprises decreased of almost 150,000 from 5,656,000 to 5,506,000 (-2.6%) and the incidence on immigrants-owned businesses increased form 7.4% to 9.1%.

ITALY. Trends of Italian and Immigrant businesses, absolute numbers and chnages in percentage (2011-2015)

	2011	2012	2013	2014	2015	Variation % 2011-2015
IMMIGRANT OWNED BUSINESSES						
Number of businesses	454,029	477,519	497,08	524,674	550,717	96,688
Annual change (%)	-	5.2	4.1	5.6	5.0	21.3
% of tot. businesses	7.4	7.8	8.2	8.7	9.1	-
NATIVES OWNED BUSINESSES						
Number of businesses	5,656,045	5,615,639	5,564,880	5,516,513	5,506,930	- 149,115
Annual % change	-	-0.7	-0.9	-0.9	-0,2	-2.6
TOTAL NUMBER OF BUSINESSES						
Number of businesses	6,110,074	6,093,158	6,061,960	6,041,187	6.057.647	- 52,427
Annual % change		-0.3	-0.5	-0.3	0.7	-0.9

As regards the distribution by sector of activity, in 2015 enterprises registered in Italy were mainly concentrated in the Service sector (31.2% of the total), followed by Trade (25.6%) and Construction (14.1%). Agriculture was at 12.5% and Manufacture at 10.1%.

Such average distribution is slightly different for Italians-owned and Immigrants-owed enterprises. While the major group of Italians-owned enterprises in 2015 was active in the "Enterprises Services" (1.76 million companies, 32,0% of the total), the largest group of the 550,000 immigrants-owned enterprises (36,4%) operated in Trade;

The second largest group among Italians.owned enterprises is represented by trading companies (1.3 million and 24.5%), while among immigrants-owned businesses we find Services and Construction (each with about 130,000 companies, or 23-24% of the total).

Among the Italians-owned businesses we find at last positions 744,000 farms (13.5%) and 723,000 construction companies (13.1%), while among immigrants-owned enterprises, we find Agriculture, Forestry and Fishery (14,600 companies, equal to 2.6% of the total immigrant enterprises in Italy). On the contrary the Manufacture sector shows similar trends between Italian and immigrant-owned enterprises (respectively 10.3% and 8.0% of the total).

If we analyze the overall variations of the registered enterprises in the country between 2011 and 2015, only the Service sector showed a positive trend, with a very limited increase in Trade (+0.1%) and a more evident one as regards Other Services (+5.0%). On the contrary Agriculture declined by 9.4%, Manufacture by 4.8% and Construction by 6.0%.

Nevertheless, such average outcomes are quite different if we analyze Italian-owned and immigrant-owned businesses. Immigrant-owned Trade companies, for example, grew by 28.2%, whereas their Italian counterparts decreased by 3.1%. Immigrant companies operating in Other Services grew as much as 33.7%, while the Italian ones performed much worse (-3.4%). The same, large difference can be found in the Construction sector, which saw a decline of Italian enterprises (-7.5) and an increase of immigrant ones (+3.3%). Manufacture also decreased in terms of Italian-owned companies (-5.8%), whereas immigrant businesses increased by 10.2%. Lastly, even in Agriculture, immigrant companies have performed better than Italian ones in the last 5 years, with an increase by 9.2% of the former and a decrease by 10% of the latter.

ITALY. Distribution of Italian and immigrant companies by Sector, absolute numbers and percentage (2015)

Sector	*Italian businesses*		*Immigrant businesses*		*Total businesses*	
	Numbers	*%*	*Numbers*	*%*	*Numbers*	*%*
Agriculture, forestry and fishing	744,369	13.5	14,584	2.6	758,953	12.5
Industry excluding construction	565,388	10.3	44,166	8.0	609,554	10.1
Construction	722,793	13.1	128,903	23.4	851,696	14.1
Trade	1,351,420	24.5	200,431	36.4	1,551,851	25.6
Other Services	1,760,840	32.0	132,011	24.0	1,892,851	31.2
N.A.	362,120	6.6	30,622	5.6	392,742	6.5
Total	**5,506,930**	**100.0**	**550,717**	**100.0**	**6,057,647**	**100.0**

SOURCE: Elaborazioni Unioncamere - Istituto G. Tagliacarne based on data by Infocamere

ITALY. Trends of Italian and Immigrant companies by Sector, changes in percentage (2011-2015)

Sector	*Italian businesses*	*Immigrant businesses*	*Total businesses*
Agriculture, forestry and fishing	-9.7	9.2	-9.4
Industry excluding construction	-5.8	10.2	-4.8
Construction	-7.5	3.3	-6.0
Trade	-3.1	28.2	0.1
Other Services	3.4	33.7	5.0
N.A.	2.9	47.7	5.4
Total	**-2.6**	**21.3**	**-0.9**

SOURCE: Elaborazioni Unioncamere - Istituto G. Tagliacarne based on data by Infocamere

Also the specific dynamics of the manufacturing sectors, show similar outcomes: at the end of 2015, there were 582,500 manufacturing companies in Italy, of which about 539,000 owned by Italian citizens and 43,400 by Immigrants.

Immigrant manufacturing companies are mainly active in the production of Clothes (15,000 businesses, or 34.7% of the total), followed by Metallurgy and manufacture of metal products (6,900 businesses, 15.9%), and Other manufacturing (with about 6,200 companies, or 14.3% of the total immigrant manufacturing enterprises).

Between 2011 and 2015 the whole manufacturing sector suffered an overall reduction of 5.7%, which was entirely due to the decline of Italian companies (-6.8%), whereas at the same time immigrant-owned ones increased by 9.8%.

In the single sub-sectors, Italian businesses decreased in almost every one of them, with the sole exception of Food and beverage industry – with an encouraging +2.7%. As regards immigrant businesses, however, their trend has always been positive in every sub-sector with the exception of Machinery and transport equipment (which saw the loss of 6.2% of immigrant companies), and Manufacture of computer and electronics (-4.5%). These 2 sub-sectors, however, only account for slightly more than 5% of the entire immigrant entrepreneurship in our country.

ITALY. Distribution of Italian and Immigrant businesses by manufacturing sector, absolute numbers and percentages (2015)

Manufacturing subsectors	*Italian businesses*		*Immigrant businesses*		*Total businesses*	
	Number	*%*	*Number*	*%*	*Number*	*%*
Food products, beverages and tobacco	67,505	12.5	2,497	5.8	70,002	12.0
Textiles	18,117	3.4	1,772	4.1	19,889	3.4
Clothing	40,503	7.5	15,081	34.7	55,584	9.5
Manufacture of leather and related products	20,599	3.8	5,006	11.5	25,605	4.4
Manufacture of wood and furniture	64,273	11.9	2,546	5.9	66,819	11.5
Manufacture of other non-metallic mineral products	28,829	5.3	1,076	2.5	29,905	5.1
Metallurgy and manufacture of metal products	109,113	20.2	6,911	15.9	116,024	19.9
Manufacture of computer, electronic and electrical products	27,264	5.1	844	1.9	28,108	4.8
Manufacture of machinery and transport equipment	44,447	8.2	1,483	3.4	45,930	7.9
Miscellaneous manufacturing	118,460	22.0	6,186	14.3	124,646	21.4
Total	**539,110**	**100.0**	**43,402**	**100.0**	**582,512**	**100.0**

SOURCE: Elaborazioni Unioncamere - Istituto G. Tagliacarne based on data by Infocamere

ITALY. Trends of Italian and Immigrant companies by Manufacturing sector, changes in percentage (2011-2015)

Manufacturing Sector	*Italian businesses*	*Immigrant businesses*	*Total businesses*
Food products, beverages and tobacco	2.7	28.2	3.4
Textiles	-11.5	9.2	-9.9
Clothing	-11.9	10.0	-6.9
Manufacture of leather and related products	-8.6	19.2	-4.2
Manufacture of wood and furniture	-12.1	0.8	-11.6
Manufacture of other non-metallic mineral products	-8.7	-1.3	-8.4
Metallurgy and manufacture of metal products	-7.9	4.1	-7.3
Manufacture of computer, electronic and electrical products	-11.4	-4.5	-11.2
Manufacture of machinery and transport equipment	-9.6	-6.2	-9.5
Miscellaneous manufacturing	-1.6	16.2	-0.9
Total	**-6.8**	**9.8**	**-5.7**

SOURCE: Elaborazioni Unioncamere - Istituto G. Tagliacarne based on data by Infocamere

ITALY. Immigrant-owned businesses by sectors of activity, absolute numbers and percentages (2015)

Sector	*Number*	*%*	*% on tot.*	*Variat. % 2011-'15*	*Variat. % 2014-'15*
Manufacturing	43,402	7.9	7.5	9.8	3.0
Construction	128,903	23.4	15.1	3.3	1.0
Trade	200,431	36.4	12.9	28.2	6.6
Transportation and storage	12,181	2.2	7.1	10.9	1.8
Accommodation and Food services	41,421	7.5	9.7	37.2	7.1
Information & Technology services	7,809	1.4	5.9	7.4	2.1
Professional, Scientific & Technical activities	9,257	1.7	4.7	17.8	2.3
Rental, Tr. Agencies, business services	29,439	5.3	16.1	66.3	9.3

Other services	18,160	3.3	7.7	38.7	8.8
Other	45,130	8.2	.	.	.
Agriculture	*14,584*	*2.6*	*1.9*	*9.2*	*3.3*
Industry	*173,069*	*31.4*	*11.8*	*5*	*1.5*
Services	*332,442*	*60.4*	*9.7*	*30.3*	*6.5*
N.a.	30,633	5.6	7.8	47.7	9.5
Total	**550,717**	**100**	**9.1**	**21.3**	**5**

Source: IDOS – Studies and Research Center, based on data by InfoCamere

The report analyzes one more aspect: the breakdown of the 445,000 managers of individual companies born abroad by nationality.
More than one-third of them come from European countries (36.5%) and one-fifth from EU Member States (19.5%); almost one-third come from Africa (32.1%), mainly from North Africa (19.5%); one-fourth come from Asia (23.9%); only 6.3% come from the Americas, whereas Oceania's percentage is marginal (0.3%).
As regards single countries of origin, the prominence of Moroccans (14.9% of the total), Chinese (11.2%) and - more recently - Romanians (10.8%) is clear: these 3 communities, alone, represent more than one-third of the total (36.9%), followed by Albanians (7.0%), Bangladeshis (6.5%), Senegalese (5.4%) and then Egyptians (3.8%), Swiss (3.6%), Tunisians (3.2%), Germans (3.1%), Pakistani (2.8%) and Nigerians (2.8%).

We can also analyze the breakdown of the nationality of managers of individual enterprises by sector. Trade is absolutely predominant among Senegalese (89.2%), Moroccan (73.3%), Bangladeshi (66.8%), Nigerian (78.0%) and Pakistani (61.1%) communities, but it is also the most important sector for Chinese managers of individual companies (39.9%), who are also very active in Manufacturing (34.6%) and Accommodation and Food Services (12.9%), and finally this sector is very popular among Egyptians (16.2%).
Construction is prevalent among Albanians (74.0%) and Romanians (64.4%), as well as Tunisians (53.3%) and Egyptians (42%).

ITALY. First seven countries of origin of immigrant managers of individual companies* divided by sector of activity, in percentage (2015)

Country of birth	*% on tot. Born abroad*	*Main 3 sectors (%)*		
Morocco	14.9	Trade: 73.3	Construction: 13.3	Business Services: 3.7
China	11.1	Trade: 39.9	Manufacturing: 34.9	Accommodation and Food Services: 12.9
Romania	10.8	Construction: 64.4	Trade: 11.8	Business Services: 4.7
Albania	7.0	Construction: 74.0	Trade: 6.4	Accommodation and Food Services: 4.0
Bangladesh	6.5	Trade: 66.8	Business Services: 18.0	IT/communication services.: 2.7
Senegal	4.4	Trade: 89.2	Business Services: 2.8	Manufacturing: 2.4
Egypt	3.8	Construction: 42.0	Trade: 19.4	Accommodation and Food Services: 16.2
Total	**100.0**	**Trade: 40.8**	**Construction: 25.8**	**Manufacturing: 7.8**

** Managerial positions held in Sole Proprietorships/individual companies.*
Source: IDOS - Study and Research Centre. Based on Sixtema/CNA data

The EU context
Several organizations of the European Association of Crafts, Small and Medium-Sized Enterprises (UEAPME) among the most committed and sensible about migratory issues (Austria, Belgium, France, Germany, Greece, Spain and the Netherlands) have created seven "country fact-sheets" summarizing: the main traits of economic migrations; their impact on MSMEs; entrepreneurship due to their evolution over the last years (in their sectorial and territorial dimension, and in the complementarity between the various countries). Other organizations have shown their willingness to cooperate and observe the evolution of these issues in their own countries. This is the first

comparative contribution that could set the stage for a full “European Information Report”, which, however, would require “harmonized” and homogeneous data and indicators. The added value of such a report could be its methodological approach (mainly oriented to MSMEs) and the positive effect for all those who have economic and social interests in this field, including policy makers.

As it is easy to understand, this first essay to build a matrix of European data is not complete, due to different national policies of data registration, to different ways to define migrant background and to different approaches to the issue. Anyway, some common features appear clear, notwithstanding the lack of data in some cases, or the different years of available data:

- In almost all the countries the percentage of self employed immigrants are similar (Austria provided data only on individual enterprises and Greece didn't provide at all);
- In almost all countries the sectors where immigrants-owned enterprises develop are very close: Trade, Accommodation and food services, Constructions are the most common ones;
- In most case we find European citizens among the most numerous nationalities of self employed immigrants.

Such elements lead us to believe that self employment has to be considered one of the major issues for political decisions carried out by the EU institutions to provide a strategy of efficient integration of migrants as well as an effective common approach to cohesion and investment policy among its Member States.

EU SEVEN COUNTRIES: self employed immigrants, Incidence of Immigrants-owned enterprises per sector and main national groups (absolute and % values). Different years

Country Year (Data provider)	Enterprises	Self employed with immigration background	% of self employed with a migratory background out of the total	Incidence of Immigrants-owned enterprises on the total of the Sector (1) or breakdown of immigrants-owned enterprises per sector (2)		Main national groups among self employed	% of the group out of the total
Austria (1)	364,710*	124,623	34.2%	Trade and craft	42,7%	Slovakians	7,70%
January 2016				Transport and traffic sector	35,1%	Romanian s	6.6%
(WKO)				Tourism and leisure industry	25,0%	Germans	2.2%
Germany (2)	c.a. 5,000,000	750,000	15%	Trade, hotel and restaurant	about 30%	Poles	n.a.
2015				Engineering - architecture		Turks	n.a.
(ZDH)				Interpretation and translation services		n.a.	n.a.
Nederlands (2)			8,50%	Services	33%	n.a.	n.a.
2012				Trade	17%	n.a.	n.a.
(VNONCV)				Health	12%	n.a.	n.a.
				Accommodation and Food Services	11%		
				Constructions	10%		
Belgium (1)	798,231	58,268	7,3%	Manufacture	62,5%	*Eu citizens*	*76,5%*
2014				Trade	62,1%	*Maghreb eand Turkey*	*6,2%*
(Adviseur Europese Zaken)				Professions	34,8%	*New Eu MS citizens*	*4,7%*
				Services	11,9%		
France (2)		129,100	*7,5%*	Construction	16,0%	n.a.	n.a.
2014				Transport and Storage	13,0%	n.a.	n.a.
(CGPME)				Accommodation and Food Services	10,0%	n.a.	n.a.
Spain	3,167,999	261,613	8.3%	Trade	n.a.	China	18,3%
2015				Accommodation and Food Services	n.a.	Romania	11,3%
(ATA)				Manufacture	n.a.	Great Britain	7,6%
						Italy	7,1%
						Morocco	6,7%
Greece	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
(GSEVEE)							

Individual enterprises

Source: IDOS – Studies and Research Center, based on data by members of UEAPME