

# **Employment Challenges and Best Practices for Migrants in the EU**

**Focus on Pro-mote Project  
Partner Countries**



Citizens, Equality, Rights and Values  
Programme (CERV)

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## Introduction

This Handbook is the result of the first activity within the European Project Pro-mote: Promoting Migrant Opportunities, Training and Employment, that aims to address the challenges faced by migrants and refugees in the EU by fostering a sense of solidarity, inclusivity, and empowerment. Through a series of innovative and collaborative initiatives, the project seeks to promote their meaningful integration into the EU labour market while upholding their human rights and dignity. The core concept of the project revolves around creating a supportive ecosystem that encourages dialogue, skill development, policy advocacy, and awareness raising. It recognizes that successful integration is a shared responsibility of both migrants and host communities, rooted in respect for human rights, diversity, and social cohesion.



During the two-day in presence workshop in Matera, Italy, on 11th and 12th of November 2024 the 6 project partners, Institute for Creative Education (IKO), Roma VHS, CEPOR – SMEs & Entrepreneurship Policy Centre, Cecot Innovation Foundation (FCI), Jagiellonian University (UJ), Materahub Industrie culturali e creative, together with the involvement of other experts and organisations dealing with the phenomenon of migration and their opportunities for social and labour integration such as Il Sicomoro, Prof. Nicola Coniglio University of Bari, IB Polska and Multicultural Center in Krakow shared the main challenges and barriers faced by migrants and refugees at European level and in the different European countries of the project partners, but also exchanged and brought good practices and concrete examples of actions that succeeded and facilitate the encounter and participation of migrants in the territories and communities they are part.



This first exchange and discussion highlighted how similarities can be found in the different European countries both in the challenges and in the actions experimented for the socio-occupational integration of migrants and refugees as a common basis that can inspire and guide the Project's future actions and maximise its joint results.

Many themes were tackled, starting from the definition of the concept of migration and the main and different motivations that drive people to leave their countries of origin, data analysis of the migratory phenomenon in order to dismantle false myths and prejudices that influence public opinion and fuel racism and xenophobia, an overview of the economic and labour market at different level, European and national, and what are the possibilities of employment and entrepreneurship of people with migrant backgrounds, as well as the more large themes of inclusion and integration.

Each partner shared and described the particular situation in their country (Italy, Croatia, Spain, Poland and Austria), highlighting challenges and obstacles at the political, legislative, economic and educational levels that can make it difficult or reduce the possibilities for migrants and refugees to integrate in the labour market and economy and making more difficult the active integration process.



In the following chapters you will find an excursus of the work carried out during the workshop with a description of the realities and experiences of the various partners in the different European countries of origin and with concrete examples of good practices that will hopefully be useful to anyone who deals with migrants and refugees in different contexts, economic, political, social, and aims to contribute to increasing their chances and opportunities of employment, entrepreneurship, integration and inclusion in communities.



## CHAPTER 1

# Perspective on Migrant Employment in Austria: Challenges, Barriers and Best Practices

Roma VHS

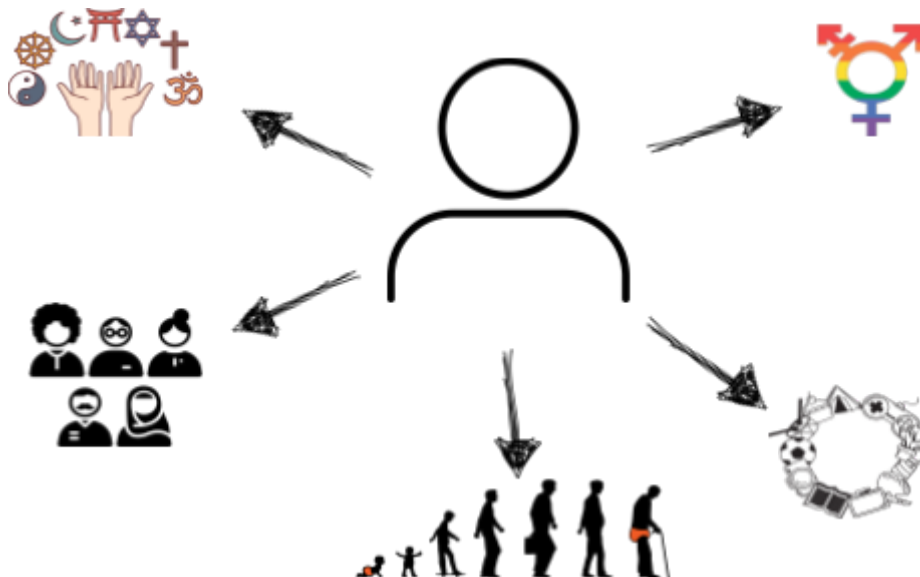


## Inclusion in terms of gender and language

Inclusion begins in everyday language use. In most languages, there are not only gendered pronouns but also a grammatical gender, unlike in English where "teacher" can refer to a female or male teacher. Although these clear distinctions exist, we still insist on the convention of using the generic masculine, resulting in the professional title "teacher" encompassing both men and women. Some linguists argue that such a collective term refers neither to men nor to women, but to all those who teach. Only the activity is interesting. However, this generalizes the masculine view as neutral and establishes the masculine form as the default. So, if neither men nor women are meant, why not simply use the feminine form? If the job title was "female teacher", could it still be said to refer to anyone who teaches? This example illustrates how language can perpetuate stereotypes and negatively influence inclusion in different contexts.

## Inclusion & cultural identity

The cultural identity of migrants, refugees and minorities is very complex. In fact, it is wrong to speak of "Afghans", "Ukrainians" or "Roma" in general terms, as there is a great diversity of individuals within these groups. For example, reducing individuals to their cultural background can obscure their unique identity. All too often, when dealing with migrants, refugees and minorities, the focus is on cultural heritage - whether this can actually promote inclusion or whether it could inadvertently reinforce exclusionary practices is a fundamental question that we need to address.



## What is inclusion anyway?

Inclusion means that all people, regardless of their individual abilities, ethnic backgrounds, genders, religions or social conditions, etc., can participate in social life on an equal footing.

The term goes beyond simply living together and aims to break down barriers - be they physical, social or cultural - so that everyone is accepted and valued in their diversity. An inclusive society recognizes the strengths and potential of each individual. Instead of seeing differences as an obstacle, they are seen as an enrichment. This is particularly important in areas such as language, education, the world of work and public spaces, where targeted measures and conscious design can create equal opportunities for all. In education, for example, inclusion means that physically disadvantaged children learn together with “advantaged” students, supported by individual support measures and adapted teaching methods. Inclusion is also evident in the world of work through barrier-free workplaces, diversity in teams and the appreciation of different perspectives.

The path to inclusion requires commitment from everyone: from political decision-makers who pass the relevant laws and regulations, from organizations and institutions that create inclusive structures, and from every individual who is committed to respectful coexistence. Inclusion is not only a question of justice but also an enrichment for society as a whole. It promotes social cohesion, strengthens a sense of community and shows that diversity does not divide, but unites. By fostering inclusion, we are creating a world in which everyone is heard, seen and respected.



### **Inclusion vs. integration: a difference with great significance**

The terms “inclusion” and “integration” are often used interchangeably, but they describe different approaches to dealing with diversity in our society. Both concepts aim to enable people with different backgrounds, abilities or needs to become part of the community, but in different ways.

- **Integration: adaptation to existing structures**

Integration means that people who are perceived as "different" are accepted into an existing society, organization or structure. The focus here is on ensuring that these people adapt to the existing norms and circumstances. The responsibility often lies with the individual to fit into the existing system.

An example: A newly arrived foreign student learns the language and culture of the host country in order to fit into the existing school class. The structure of the school remains unchanged. The same applies, of course, to teachers at school and workers and employees in the workplace.

- **Inclusion: adapting structures for everyone**

Inclusion, on the other hand, goes one step further. It describes an attitude and an approach in which existing structures are designed in such a way that all people can participate equally, regardless of their differences. The responsibility lies with the community or organization to break down barriers and create an environment that does not exclude anyone.

For example, a school that promotes inclusive education adapts its lessons so that disadvantaged children and "advantaged" students can learn together - for example by providing accessible rooms, adapted teaching methods or support from specialists. Again, the same applies, of course, to teachers at school and workers and employees in the workplace.

## **The central distinction**

While "integration" often implies that an "out-group" must assimilate into a "majority group", inclusion is based on diversity being seen as normal and valuable from the outset. It is not just about acceptance, but about active participation and equality for all. Inclusion thus creates a society in which everyone is accepted with their individual strengths and weaknesses - without anyone having to be made to "fit in" first. Integration, on the other hand, is an important step in this direction, but is usually limited to the goal of integrating people into existing systems. Imagine that "integration" and "inclusion" were engaged in a fictitious dialog. "Integration" would ask: "How can they become part of us?" and "inclusion" would answer: "There is only one of us." Both concepts are valuable, but inclusion is the only way to achieve true equality and participation for all.

## **Institutional discrimination**

Again and again, in different contexts, practices of institutional racism are uncovered. Institutional discrimination is deeply embedded in cultures, it influences the way people are perceived and how they are reacted to. Institutional discrimination refers to the way in which institutions treat people because of their gender, physical disadvantage, class, ethnic origin or sexual orientation, etc., be it in the areas of education, the healthcare system or in the



workplace. Racism, sexism and homophobia have a common root in the intolerance of otherness and the abuse of power to create and maintain inequalities and hierarchies. Wanting to make schools or the workplace inclusive can also confront people with the painful process of having to confront their own discriminatory attitudes and practices.

## General labor market situation in Austria

There is a shortage of skilled workers in many areas of the Austrian labor market. This could offer opportunities for qualified migrants, refugees and minorities, but also poses challenges:

1. There is a considerable shortage of skilled workers in technical professions such as systems analysis, software development and electrical engineering.
2. Skilled workers are also urgently needed in the construction and care sectors.

### ● Potential obstacles

Although not explicitly mentioned, some possible obstacles for migrants, refugees and minorities can be deduced:

- **Recognition of qualifications:** The study emphasizes the importance of professional qualifications. For migrants, refugees and minorities, the recognition of their qualifications acquired abroad could pose a challenge.
- **Language barriers:** Many of the shortage occupations mentioned require a good knowledge of German, which can be a hurdle for newcomers.
- **Seasonal fluctuations:** There are strong seasonal fluctuations in sectors such as gastronomy and the hotel industry, which can lead to insecure employment relationships.

### ● Opportunities

The shortage of skilled workers in various sectors could open up opportunities for well-qualified migrants, refugees and minorities:

- There is a high demand for workers in areas such as care, technical professions and the construction industry.
- The favorable labor market situation for skilled workers could lead to improved working conditions and wages.

The Austrian labor market is facing the challenge of a widespread shortage of skilled workers, which presents both opportunities and challenges for migrants, refugees and minorities. There is a considerable demand for qualified workers in technical professions such as systems analysis, software development and electrical engineering. The construction industry and the care sector are also urgently looking for skilled personnel, and despite these opportunities, migrants, refugees and minorities face potential obstacles. The recognition of qualifications acquired abroad can prove complicated, as the study emphasizes the importance of professional qualifications. Language barriers are another obstacle, as many shortage occupations require good German language skills.

In sectors such as gastronomy and the hotel industry, seasonal fluctuations can lead to insecure employment, although the shortage of skilled workers also offers opportunities for well-qualified migrants, refugees and minorities. There is a particularly high demand for workers in areas such as care, technical professions and the construction industry. The favorable labor market situation for skilled workers could lead to improved working conditions and higher wages.

A study by the Austrian Integration Fund (ÖIF) provides a comprehensive overview of the labor market situation of migrants in Austria for the year 2024:

### **Employment and unemployment**

- In the 3rd quarter of 2023, there were 4.5 million people in employment in Austria, 20% (898,500) of whom were foreign nationals.
- The employment rate of people with a migration background (69.0%) was lower than that of people without a migration background (76.1%).
- Immigrants from EU states before 2004, EFTA states and Great Britain had the highest employment rate at 78.9%.
- People from Turkey (62.7%) and other third countries (63.6%) had lower rates.
- The unemployment rate was higher for immigrants (9.6%) than for Austrians (5.3%).

### **Gender-specific differences**

- Female migrants had a significantly lower employment rate (63.2%) than male migrants (75.1%).
- Women from Turkey (51%) and Syria/Iraq/Afghanistan (25%) were particularly rarely in employment.
- Foreign women were more likely to work part-time (47.2%) than foreign men (11.8%).

## Industries and qualifications

- Foreign workers were disproportionately represented in gastronomy, accommodation and other economic services.
- Almost half of the unemployed foreigners (48.3%) had at most a compulsory school leaving certificate.

## Integration and language skills

- The employment rate correlated strongly with German language skills: 72.4% with fluent skills, 53.7% with basic skills.
- The ÖIF funded 66,000 German courses in 2023, more than twice as many as in 2021.

This data shows both progress and ongoing challenges in the labor market integration of migrants in Austria.

## Inclusion in the Austrian labor market

Migrants, refugees and minorities face numerous challenges and obstacles when "integrating" into the Austrian labor market. These barriers are often multi-layered and affect different levels - from individual factors to structural circumstances.

One of the biggest hurdles is insufficient knowledge of German. Over 43% of those affected cite this as the main problem when looking for work. Although more than half of migrants attend language courses, many do not find a suitable course or consider their language skills to be sufficient, which makes it difficult to acquire fluency.

Another key problem is the recognition of qualifications. Only 13% of migrants with educational qualifications acquired abroad apply for official recognition in Austria. However, these are often not recognized by official bodies or there is a lack of transparent procedures to prove equivalence. As a result, many well-qualified people work in low-skilled jobs or remain unemployed, although 15% of migrants state that they have difficulties finding suitable work due to a lack of recognition. In addition, around 17% of migrants are unable to find employment that matches their qualifications. This often leads to underemployment and a waste of skills.

Another obstacle is discrimination, which particularly affects migrants from Turkey or other non-European countries. Studies show that around 8% of migrants feel discriminated against in their current job, mainly due to their foreign origin. At the same time, migrants are often overrepresented in occupations with low requirements. For example, around 39% work in blue-collar occupations - a proportion that is twice as high as that of people born in Austria. People with a migrant background are often disadvantaged, whether because of

their name, their origin or their residence status. This discrimination not only limits their chances of being hired, but also has a negative impact on their motivation and self-esteem.

The duration of the job search also poses a challenge. Although 60% of migrants find their first job within a year of their arrival, for many the search takes longer, especially if they have no previous work experience in Austria. In addition, almost a quarter of migrants report that their current job is less demanding than their previous job in their country of origin, which indicates that they are often underchallenged.

These challenges are also reflected in the labor force participation rate. While the employment rate for those born in Austria is 73.9%, it is only 67.5% for migrants. Furthermore, migrants are less satisfied with their work than those born in Austria. Only 51% of migrants state that they are very satisfied with their current job, compared to 57% of natives.

Legal status also plays a decisive role. Refugees and asylum seekers are often only allowed to work under certain conditions, which severely restricts their chances of regular employment. These legal restrictions significantly delay their integration into the labour market and contribute to their marginalization.

A lack of social and professional networks is also an obstacle. Many migrants and refugees have no contacts who could support them in their job search. However, networks are an important factor in obtaining information about job vacancies or getting recommendations.

Finally, cultural differences are also a challenge. Differences in working methods, hierarchies or expectations in the workplace can lead to misunderstandings that make integration even more difficult. There is often a lack of programs that help both migrants and employers to build cultural bridges and promote mutual understanding.

Comprehensive and targeted measures are needed to meet the challenges of labor market inclusion for migrants, refugees and minorities in Austria. These include more comprehensive and intensive language support, simplified procedures for the recognition of qualifications, targeted anti-discrimination measures and the expansion of mentoring and networking programs.

One successful example of the interplay between these factors is the regional project "PRADO DROM" (Open Path - My Path to Success!) run by the non-profit organization "Trendwerk" in the province of Burgenland, which began in early 2023. With this project, the initiators are creating an advisory and qualification offer for Roma who are distant from the labor market and also in employment. The aim of the project is to break down barriers to employment, boost self-esteem, activate problem-solving skills and thus pave the way to a self-determined life.

The project was funded by the Federal Ministry of Labor and Economy in connection with the special guideline "Roma Empowerment for the Labor Market 2022-2030" in cooperation with the Austrian Public Employment Service (AMS) Burgenland.



Project duration: 1.1.2023 - 31.12.2024

The implementation took place on two levels:

### **1. The educational and advisory institution (BBE)**

The counseling service offered a protected environment for all those people who wanted to discuss their personal concerns in private or work intensively on specific issues. Professional and social matters could be discussed here. Depending on the concerns and possibilities of the people who took advantage of the counseling, very specific offers of support could also be developed. Only when the path to one's own resources is clear again and people find their center can they start a successful application process and find their way (back) into working life. Where appropriate, active support organizations from the region were also brought in at this point, provided the person in question gave their consent.

Offers consulting BBE:

- Assistance and support with social and personal concerns
- Support with labor market barriers
  - Orientation consulting
  - Educational and career counseling
  - Perspective planning
  - Application coaching

The aim of the counseling was to discuss personal, professional and social concerns with the clients, develop solutions and strengthen their resources so that they can find a successful and structured way back into everyday and professional life. The number of participants was 70 and the total number of individual counseling sessions was 681.

### **2. The educational measure (BM)**

Four training courses (each lasting 16 weeks) were carried out as part of the project.

The modules of the courses:

- Personality training
- Basic education
- Electronic data processing basics
- Preparation for the job market

A total of 33 people took part in the courses, 30 of whom completed the course.

In addition to personality coaching and job application training, applications were also actively sent out during the courses. Excursions to various institutions offering vocational qualifications were also undertaken and experts invited from training institutes came to their courses and informed the participants about the possible options.

Cooperation with the AMS Burgenland and the regional offices in Oberwart and Stegersbach was important for the success of the project's training program. The AMS supported the participants by paying for their living expenses and travel costs. The employees of PRADO DROM regularly and constantly exchanged information with the advisors from AMS Oberwart and AMS Stegersbach.

The average attendance rate of participants in the courses was 95%.

### 3. Networking – "Round Table Meetings"

The "Round Table Meetings" platform served as a networking and exchange platform for key players in the region. With this networking, the PRADO DROM employees wanted to offer a platform and hub as well as a bridge between the various institutions, organizations, companies, NGOs, educational institutions, schools, advice centers, media and the Roma community. The aim was to create strategies for the inclusion of Roma in the labor market and in education.

Three events took place:

1. **April 2023:** Round table meeting on the "SENSIRO Study" at the premises of the Roma organization Roma-Service in Oberwart. Presentation of the SENSIRO study on the evaluation of the national strategy for the inclusion of Roma in Austria with Prof. Dr. Christoph Reinprecht (project manager of the SENSIRO study) and Tina Nardai (project team member of the SENSIRO study). This was followed by an open discussion round.

(28 participants)

2. **October 2023:** Round table meeting on the topic "Do we need labor market policy measures for Roma?" at the "Offenes Haus" in Oberwart. Panel discussion with various representatives from the fields of labor and business: MR Mag. Roland Hanak, MAS (Federal Ministry of Labor and Economy), Mag.a Helene Sengstbratl (Managing Director of AMS Burgenland), Marion Friedl (Deputy Head of AMS RGS Oberwart), Martin Horvath, (Assistant to the Project Manager PRADO DROM), Horst Horvath (Former Labor Market Counselor), Adolf Gussak (Journalist) and Janet Kamer (Former participant of the course). (36 participants)

3. **May 2024:** Round table meeting on the topic of "Offers from Roma for Roma - What are the priorities of the individual Roma NGOs?" With: Walter Reiss as facilitator, Emmerich Gärtner-Horvath (Chairman of the Roma Service Association and Chairman of the Roma Ethnic Group Advisory Council), Manuela Horvath (Head of the Roma Pastoral Care of the Diocese of Eisenstadt and City Councillor), Mag. Feri

Janoska (Chairman of the Roma Adult Education Center), Martin Horvath (Chairman of the Hango Roma Association, employee of the Province of Burgenland, Department 7 - Education, Culture and Science), Alina Vozenilek (employee in the PRADO DROM project), Lisa Horvath (participant in the PRADO DROM project) (35 participants)

Participants in the project period 01.01.2023 - 15.12.2024

- Participants as at 31.12.2023: 70 participants - 56% female
- Average age of participants: 25 to 55 years
- Place of residence: Oberwart district
- Unemployed/long-term unemployed: 73%
- Not gainfully employed: 6%
- Employed: 21%
- School education:
  - ISCED 1 with basic education or ISCED 2 lower secondary education: 68%
  - With higher secondary education (ISCED 3) or post-secondary education (ISCED 4): 26%
  - With tertiary education (ISCED 5 to 8): 6%

## Success balance

- 19 working contracts - these are long-term employment contracts in the primary labor market!
- 5 apprenticeships/qualifications: 2 apprenticeships, 3 professional qualifications

## A glimpse into the future

The new funding agreement for the project was signed on 26.11.2024.

"O DROM ANDI CUKUNFT - The path to the future" successfully launched.

The project duration is from 1.1.2025 - 31.12.2026.

The successful work of the PRADO DROM project is to be continued, and new priorities set. In the coming years, the focus will be on young people in particular and therefore on the topics of education and qualifications. In addition to the "round table meetings", there will also be awareness-raising workshops and "women's cafés".

## Sources:

1. <https://www.statistik.at/fileadmin/publications/Arbeitsmarktsituation-Migrant-innen-2021.pdf>
2. [https://www.statistik.at/fileadmin/pages/256/Fachkraeftebedarf\\_OEsterreich\\_IHS\\_2023.pdf](https://www.statistik.at/fileadmin/pages/256/Fachkraeftebedarf_OEsterreich_IHS_2023.pdf)
3. <https://www.integrationsfonds.at/mediathek/mediathek-publikationen/publikation/statistische-broschuere-zu-migration-integration-arbeitsmarkt-ausgabe-2024-19426/>
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## CHAPTER 2

# Perspective on Migrant Employment in Italy: Challenges, Barriers and Best Practices

Materahub

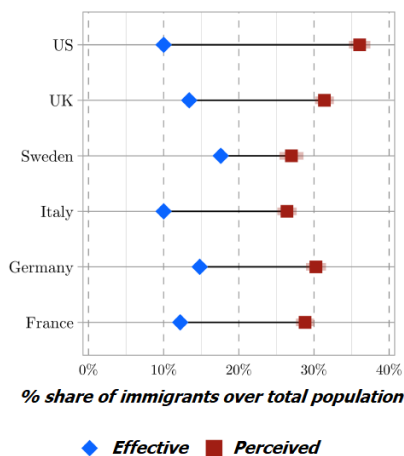
## Immigration in the EU and in Italy: policies and labour market challenges and barriers

The Pro- mote project workshop, hosted in Matera (Italy), two days of discussion and in-depth analysis among experts from organisations dealing in different aspects with migration and integration in the economic, labour and social context, started with the participation of Professor Nicola Coniglio from the Aldo Moro University of Bari, Department of Economics and Finance, an expert in migration with a focus on economic and political aspects. His presentation provided the project partners with a shared framework and helped challenge the "Big distortion" surrounding migration, that is, the common misconceptions about this phenomenon.

Professor Coniglio presented data that demonstrates how the perception of migration is often exaggerated globally, not exclusively in Europe. In addition to overestimating the number of migrants, Professor Coniglio highlighted how other characteristics, such as countries of origin, religion, or type of migration, are also subject to distorted perceptions. Public perception on these aspects is often misaligned with actual data. It is for this reason that he emphasized the importance of grounding our understanding of migration in factual and reliable data to accurately grasp its connection to the labour market.

### Immigration: the big distortion

How many immigrants reside in your country?



Source: Alesina, Milano, Stantcheva (2023)

By starting with concrete facts, the aim is to identify practical activities and strategies that can be implemented for the improved integration of migrants into the workforce. This approach is crucial for ensuring that policies and initiatives are based on reality rather than misconceptions, ultimately fostering a more inclusive and beneficial environment for both migrants and the host communities.

Public opinion, with its prejudices and distortions, has a significant influence on the political discourse on migration, ultimately shaping the policies adopted by the various European

states. Concerns about national identity, economic competition, and cultural differences can fuel negative perceptions of migrants, leading to pressure on politicians to adopt restrictive migration policies. Conversely, empathy, humanitarian values, and recognition of the economic contributions of migrants can foster a more welcoming stance.

This close interaction between public sentiment and decision-making is particularly pronounced within the European Union, where the absence of a unified migration policy in all member states further amplifies the impact of public opinion.

Another crucial point addressed was the need to accurately define the phenomenon of migration. This entails:

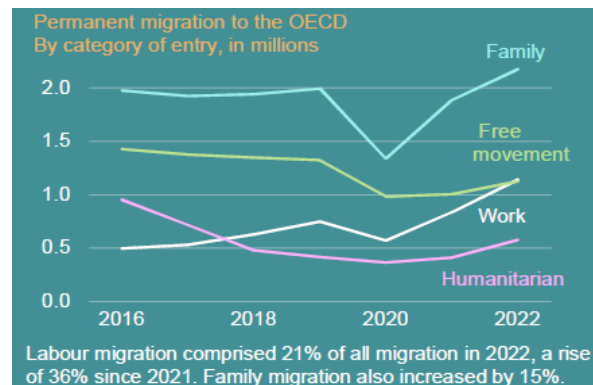
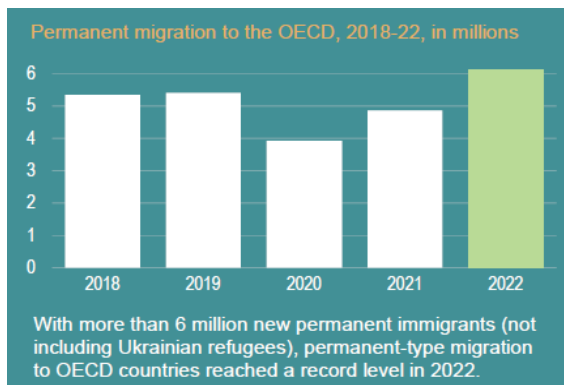
- **Who are migrants?** It is essential to clarify who falls under the definition of "migrant," distinguishing between different categories such as political refugees, asylum seekers, economic migrants, environmental migrants, and family reunification migrants. Each of these categories has specific characteristics and needs, requiring different approaches and policies.
- **What are the causes of migration?** The multiple reasons that push people to leave their countries of origin must be analysed. These include armed conflicts, political persecution, natural disasters, poverty, lack of economic opportunities, and climate change. Understanding the root causes of migration is essential to developing effective solutions.
- **What are the impacts on destination countries?** It is important to assess the impact of migration on the economic and social systems of the destination countries. This includes analysing the effects on the labour market, public services, social security, demographics, and social cohesion.

## The State of Migration in the OECD countries with a focus on European Union

The discussion started with the presentation and the reflections on some trends and data at international and European level related to the number of migrants and their integration in the labour market.

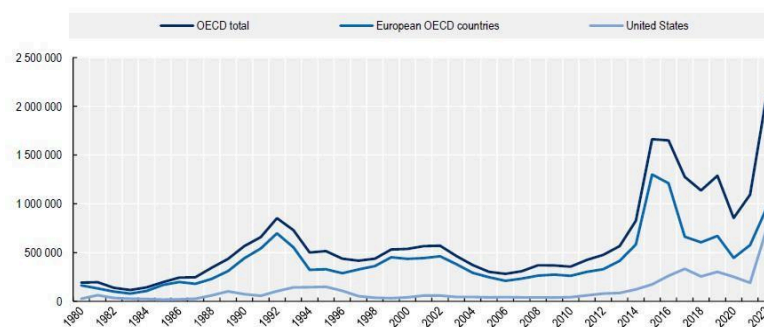
### Current Trends and Data

- Permanent Migration flows are on the rise but far from an 'invasion' as how migration is often portrayed. The overall inflow of immigrants into the EU was substantial, exceeding 2.6 million in 2022. Family reunification remains a primary driver of this influx



- Asylum applications numbered over 2 million, with the majority concentrated in the USA. Despite an increase, the total number of asylum seekers remained relatively small, at approximately 1,500 per million population. Often the only way to migrate in the absence of formal and legal channels.

Figure 1.12. New asylum applications since 1980 in the OECD, European OECD countries and the United States



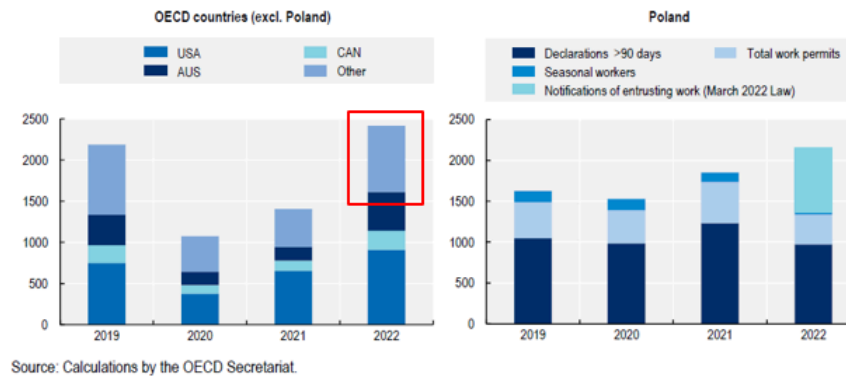
Source: OECD Secretariat calculations based on data from UNHCR and Eurostat.

- New citizenships: +2.8 million. EU citizenship confers various rights and benefits, including the right to live and work in any EU country, freedom of movement within the EU, and the right to vote in local and European elections. The number of new citizenships granted can be seen as an indicator of successful integration, as it reflects migrants' commitment to becoming part of their host society. Although the requirements and procedures for acquiring citizenship vary across EU member states. Some countries have stricter requirements or longer residency periods than others.
- Temporary migration flows were also on the rise, exceeding 4 million in 2022, largely comprising seasonal workers. With one exception for the European Union where there is a gap in entry policies for seasonal workers and there are no shared policies among all the states of the union.



Figure 1.6. Total temporary foreign workers, 2019-22

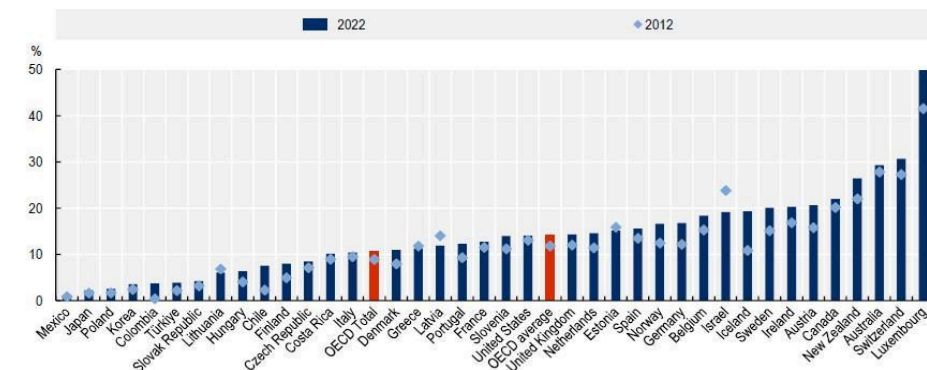
Thousands



EU11 includes: Austria, Belgium, Germany, Denmark, Spain, Finland, France, Ireland, Italy, Luxembourg and Sweden.

- In 2022, foreign-born individuals constituted on average 10.6% of the OECD countries population. This figure, however, masks significant variations across EU member states, with Luxembourg (47%), Cyprus (23.5%), and Malta (22.4%) having the highest percentages. Countries like Estonia, Austria, Latvia, Germany, Sweden, and Ireland also have shares exceeding 15%.

Figure 1.19. Foreign-born population as a percentage of the total population in OECD countries, 2012 and 2022



Note: Data refer to 2012 or the closest available year, and to 2022 or the most recent available year. The OECD average is a simple average based on rates presented on the figure. For Japan and Korea, the data refer to the foreign population rather than the foreign-born population. Source: OECD International Migration Database, Eurostat, UNDESA.

## The Complex Landscape of EU Immigration Policies

The European Union faces a multifaceted challenge in managing migration. While a 'single' market with free internal mobility exists, the 27 member states maintain distinct and often uncoordinated entry policies, creating a complex and fragmented landscape. In addition some announced reforms go in opposite directions e.g. Sweden and Finland are translating into stricter migration policies; Spain boosts legal channels, Italy has adopted more restrictive policies, focusing on strengthening border controls.

## Common Challenges:

Despite their diverse approaches, all EU countries share several challenges:

- **Labor Shortages:** Across the EU, there is a growing need for both skilled and unskilled workers, driven by demographic changes and economic demands. This shortage is particularly acute in countries experiencing population decline or rapid economic growth.
- **Growing Hostility:** Anti-immigrant sentiment is on the rise in many EU countries, fuelled by concerns about national identity, cultural differences, and economic competition. This hostility can manifest in discriminatory practices, social tensions, and political recoil against migration.
- **Externalization of Borders:** The EU and its member states are increasingly relying on agreements with third countries to manage migration flows. Examples include Italy's agreement with Albania and EU agreements with Tunisia and Turkey. These agreements aim to control migration outside EU borders, often raising concerns about human rights and the offloading of responsibilities.

## Consequences of Policy Fragmentation:

The lack of a cohesive EU migration policy and the divergent approaches of member states have several consequences:

- **Policy Externalities:** Individual member states' policies can have unintended consequences for other EU countries. For example, a country's decision to tighten border controls may divert migration flows to neighbouring countries.
- **Irregular Migration:** The lack of legal pathways and the patchwork of entry requirements can push migrants towards irregular channels, increasing their vulnerability to exploitation and human trafficking and exploitative phenomena.
- **Integration Challenges:** Uncoordinated policies can hinder the integration of migrants, as they may face different rules and regulations depending on their country of residence. This can create barriers to employment, education, and social inclusion.

The EU needs to move towards a more harmonised and effective migration policy framework that addresses the common challenges while respecting human rights and promoting integration. This will require greater cooperation among member states, a commitment to legal pathways, and a shift away from externalisation policies.

## Which immigration policies? Two extreme scenarios

Through the analysis of two extreme scenarios in which different migration policies are closely linked to economic and social effects, an attempt was made to outline an alternative proposal that is more in line with needs and the current situation.

### Scenario 1: Open Borders

Open borders refer to the hypothetical scenario where there are no restrictions on migration between countries. Individuals would be free to move across borders without needing visas, work permits, or other legal barriers.

#### 1. Economic Impacts

The presentation highlights research examining the potential economic impacts of open borders.

- **Significant GDP Growth:** Clemens' survey of existing literature suggests that removing mobility barriers could lead to a substantial increase in global GDP, ranging from +67% to +147%.
- **Conservative Estimates:** Even with more conservative assumptions, the estimated GDP growth remains impressive, ranging from +20% to +60%.
- A study by Docquier et al. (2015) provides further evidence for the potential economic benefits of open borders +12.5% Global GDP Growth. This study estimates that a substantial increase in the global stock of immigrants, specifically an influx of approximately 400 million people, could lead to a 12.5% rise in global GDP.
- **Greater Impact Than Other Barriers:** The study emphasizes that the economic benefits of open borders far outweigh the effects of removing other types of global barriers, such as capital controls or international trade barriers.

#### 2. Key Drivers of Economic Benefits

Several factors contribute to the potential economic gains from open borders:

- **Increased Labor Mobility:** Open borders allow workers to move to countries where their skills are in high demand, leading to a more efficient allocation of labour resources.
- **Enhanced Productivity:** A more mobile workforce can boost productivity, as workers can find jobs that better match their skills and qualifications.

- **Innovation and Entrepreneurship:** Open borders can foster innovation and entrepreneurship, as migrants often bring new ideas and perspectives.
- **Remittances:** Migrants often send money back to their home countries, which can stimulate economic growth in those regions.

### 3. Limitations and Challenges

While the economic benefits of open borders are significant, there are also limitations and challenges to consider:

- **Social and Political Concerns:** Open borders can raise concerns about national identity, cultural integration, and potential strain on public services.
- **Implementation Challenges:** Implementing a system of open borders would be complex and require international cooperation.
- **Distribution of Benefits:** The economic gains from open borders may not be evenly distributed, potentially leading to inequalities within and between countries.

The open borders scenario presents a compelling case for the potential economic benefits of increased labour mobility. However, it also raises important social and political considerations that need to be addressed. The primary limitation of open borders is not economic but rather social and political, as it can generate public anxieties and concerns about national identity.



### Scenario 2: Closed Borders

In this scenario, "closed borders" refers to a theoretical scenario where immigration is severely restricted or completely banned. The economic consequences are significant and multifaceted, impacting various aspects of the host country's economy:

#### 1. Labor Market Effects:

- Closed borders can lead to labour shortages, particularly in sectors that rely heavily on migrant workers, such as agriculture, construction, and caregiving.
- The lack of available workers can stifle economic growth and innovation, as businesses struggle to fill vacancies and meet demand.
- It can also lead to wage inflation, as employers compete for a limited pool of workers, potentially driving up costs for businesses and consumers.

## **2. Public Finance Effects:**

- Migrants contribute to the tax base and social security systems of the host country.
- Restricting immigration can reduce these contributions, potentially impacting the funding of public services and social welfare programs.
- Additionally, the cost of border enforcement and detention of undocumented migrants can be substantial, placing further strain on public finances.

## **3. Change in the Productive Structure:**

- Migrants often fill gaps in the labour market, taking on jobs that are less desirable or require specific skills.
- Closed borders can disrupt the productive structure of the economy, as businesses may struggle to adapt to the lack of available workers in certain sectors.
- This can lead to a decline in productivity and competitiveness, particularly in industries that rely on a flexible and diverse workforce.

## **4. Internationalization of the Economy:**

- Migrants can facilitate international trade and investment, as they often have connections and knowledge of foreign markets.
- Restricting immigration can limit these connections, potentially hindering the internationalization of the economy and reducing opportunities for global trade and investment.

## **5. Demographic Structure:**

- Migrants can help mitigate the effects of an aging population and declining birth rates, contributing to a younger and more dynamic workforce.
- Closed borders can exacerbate demographic challenges, leading to a shrinking workforce and a higher dependency ratio, which can strain social security systems and healthcare services.

In summary, the scenario of closed borders presents significant economic consequences for the host country. While there may be short-term benefits for specific groups, the long-term costs are likely to outweigh them, impacting labour markets, public finances, productivity, internationalization, and demographics.

## Rethinking Temporary Migration Schemes: A Potential Solution

The discussion advocates for a shift in the approach to temporary migration schemes within the EU. It suggests a move away from rigid and restrictive models towards more flexible and inclusive schemes that can better address the needs of both migrants and member states.

### Key Features of the Proposed Approach

- **Renewability:** Temporary migration schemes should be renewable, allowing migrants to extend their stay if they continue to meet the requirements. This provides greater stability and encourages long-term integration.
- **Flexibility:** The schemes should be more flexible than previous models, adapting to changing economic and social conditions. This could involve offering a wider range of visa categories or allowing for changes in employment sectors.
- **Selectivity:** While advocating for greater flexibility, the presentation also emphasizes the need for selectivity. This means that the schemes should target migrants with skills and qualifications that are in demand within the EU labour market.
- **Pathway to Citizenship:** The proposed schemes should offer a potential pathway to citizenship for those migrants who meet certain criteria, such as language proficiency, employment history, and social integration. This provides a powerful incentive for migrants to invest in their long-term future in the EU and contribute positively to society.
- **Counteracting Irregular Employment:** The schemes should aim to reduce irregular employment by providing legal pathways for migrants to work in the EU. This not only protects migrants from exploitation but also ensures that they contribute to the tax base and social security systems.

### Benefits of the Proposed Approach

This reformed approach to temporary migration schemes could offer several benefits:

- **Addressing Labor Shortages:** By attracting and retaining skilled workers, the EU can address its growing labour shortages and support economic growth.
- **Promoting Integration:** Offering a pathway to citizenship encourages migrants to integrate into their host societies and contribute positively.
- **Reducing Irregular Migration:** Providing legal pathways for work can reduce the incentives for irregular migration and protect migrants from exploitation.
- **Enhancing EU Competitiveness:** A more flexible and responsive migration system can enhance the EU's competitiveness in the global economy.

Rethinking temporary migration schemes is a crucial step towards a more effective and humane EU migration policy.

**Economic integration starts with the labour market** and emphasises the critical role of employment in facilitating the integration of migrants into the economic and social environment of the host country. The labour market serves as a gateway for migrants, providing opportunities for economic self-sufficiency, skill development, social interaction, and a sense of belonging. Work is a fundamental aspect of integration and is considered the main point of contact and confrontation between the world of immigrants and that of citizens. It is not only how immigrants derive the material resources to live but should also be associated with other central dimensions of their existence: it is a space for socialisation and integration, for learning, for building roles, status and social ties, sense of self-determination, a means of human fulfilment. Occupational integration is not only the result of access to the labour market but is part of the broader set of material conditions necessary for an individual to integrate into a new system.

Table 1.8. Labour market situation of migrants in 38 OECD countries in 2022

	2022		Change in 2022-21		Gap with the native-born in 2022	
	Percentages		Percentage points		Percentage points	
	Unemployment rate	Employment rate	Unemployment rate	Employment rate	Unemployment rate	Employment rate
Australia	3.6	77.2	-1.8	+3.0	-0.3	-0.4
Austria	8.5	70.2	-2.8	+2.6	+5.0	-5.1
Belgium	9.5	61.5	-1.5	+2.1	+4.9	-6.3
Canada	5.9	75.2	-2.6	+2.3	+0.9	-0.6
Chile*	6.7	75.5	-0.7	+1.5	-1.5	+15.1
Colombia**	6.0	65.5	-11.4	+4.1	-0.2	+5.1
Costa Rica	11.3	66.9	-6.7	+4.8	-1.5	+7.6
Czech Republic	2.6	81.0	-0.7	+1.2	+0.4	+5.8
Denmark	7.5	72.6	+0.2	+2.6	+3.4	-4.8
Estonia	8.1	74.7	-1.6	+3.5	+2.5	-1.9
Finland	11.3	70.4	-2.4	+4.2	+4.9	-4.4
France	11.5	61.6	-0.9	+0.5	+4.7	-7.6
Germany	5.6	69.8	-0.9	+1.5	+3.0	-9.1
Greece	19.0	60.9	-4.0	+6.0	+7.0	+0.2
Hungary	4.0	80.6	+0.6	+0.3	+0.4	+6.4
Iceland	6.6	82.9	-4.1	+5.9	+3.3	-0.4
Ireland	4.9	77.0	-2.6	+5.2	+0.5	+5.2
Israel**	4.6	77.9	+0.3	-0.4	+0.0	+13.8
Italy	10.8	62.4	-2.3	+3.1	+3.0	+2.6
Japan***	5.0	77.3	-	-	+1.0	+0.7

INTERNATIONAL MIGRATION OUTLOOK 2023 © OECD 2023

## Labor Market as a Gateway

- **Economic Self-Sufficiency:** Securing employment enables migrants to become economically self-sufficient, reducing their reliance on social welfare programs and allowing them to contribute to the host country's economy.
- **Skill Development and Recognition:** Participation in the labour market facilitates the development and recognition of migrants' skills, enhancing their human capital and long-term employability.
- **Tax Contributions:** Employed migrants contribute to the tax base, supporting public services and infrastructure.
- **Social Interaction and Networks:** The workplace provides opportunities for social interaction with native-born workers, fostering social networks and cultural exchange.
- **Sense of Belonging:** Meaningful employment can instill a sense of belonging and purpose, facilitating a smoother integration process.



## Challenges to Labor Market Integration

Migrants in the EU face various obstacles to successful labour market integration:

- **Language Barriers:** Proficiency in the host country's language is often crucial for securing employment. This can be a significant hurdle for many migrants, who may need to invest time and resources in language acquisition. Even with basic language skills, navigating workplace communication and understanding technical terminology can be challenging.
- **Discrimination:** Migrants may face discrimination based on their ethnicity, nationality, or religion. This can manifest in various forms, such as being passed over for job opportunities, receiving lower pay for the same work, or experiencing unfair treatment in the workplace. Discrimination can significantly hinder migrants' career progression and limit their access to certain sectors of the labour market.
- **Recognition of Qualifications:** Migrants' educational and professional qualifications may not be fully recognised in the host country. This can be due to differences in educational systems, lack of documentation, or bureaucratic issues. As a result, migrants may be forced to take jobs below their skill level or pursue further education to have their qualifications recognised, leading to a loss of human capital and potential.
- **Access to Training and Support:** Migrants may require additional training and support to adapt their skills to the EU labour market. This can include vocational training, skills upgrading, and job search assistance. However, access to such programs can be limited, and migrants may face challenges navigating the complex landscape of training and support services.
- **Cultural Differences:** Workplace culture and expectations can vary significantly across countries. Migrants may need to adapt to new communication styles, work norms, and social interactions, which can be challenging and require cultural sensitivity and understanding from both migrants and employers.
- **Lack of Social Networks:** Building a professional network is essential for career advancement, but migrants often lack established social connections in the host country. This can limit their access to job opportunities and mentorship, making it harder to navigate the labour market and progress in their careers.
- **Psychological Barriers:** The experience of migration can be stressful and traumatic, and migrants may face psychological barriers to labour market integration, such as anxiety, depression, or post-traumatic stress disorder. These challenges can affect their motivation, confidence, and ability to seek and maintain employment.

Addressing these challenges requires a multi-faceted approach that involves government policies, employer initiatives, and support from civil society organizations. By removing barriers to labour market integration, we can create a more inclusive and welcoming

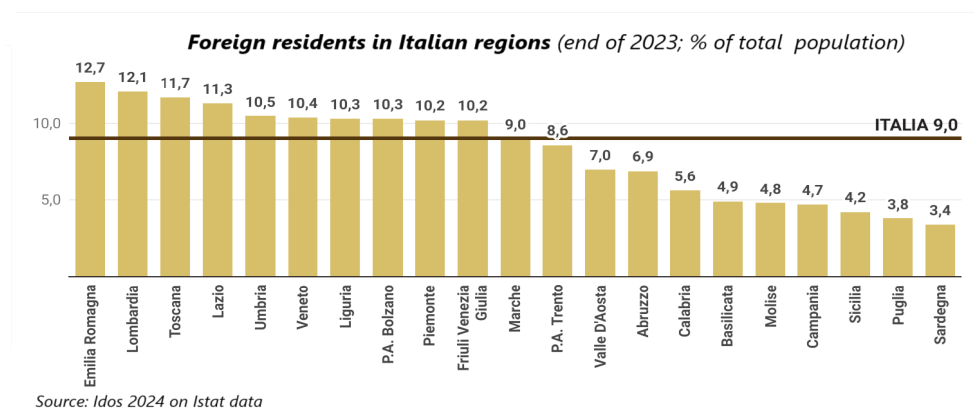
environment for migrants, allowing them to fully contribute their skills and talents to the economy and society. The ecosystemic, holistic and integrated approach underpins the activities of the Pro-mote project, which seeks to consider all aspects that can influence and even contribute to the effectiveness of the interventions developed.

## Migration Trends and Challenges in Italy: A Deeper dive in labour market, policies and integration practices

To gain a comprehensive understanding of the situation of migrants in Italy and their participation in both the labour market and their communities, we began by analysing relevant data. This data-driven approach allows for a clearer picture of the phenomenon, enabling the identification of effective actions that can improve inclusion and integration processes and increase opportunities for migrants.

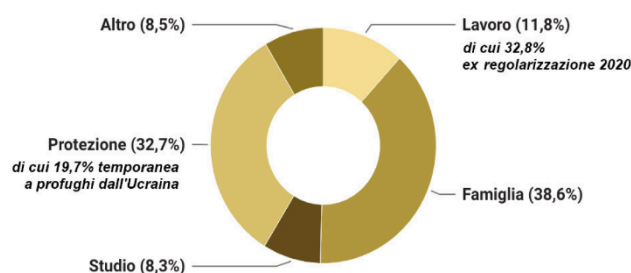
A presentation by Prof. Nicola Coniglio of the University of Bari, offers a comprehensive overview of the multifaceted phenomenon of migration in Italy, delving into key trends, challenges, and potential solutions. It emphasises the crucial role of migration in addressing Italy's demographic decline and labour market needs, while also acknowledging the complexities and challenges associated with integration.

- **Foreigners in Italy:** As of 2023, there are 5.3 million foreign-born individuals residing in Italy, constituting 9% of the total population. This figure represents a steady increase of 166,000 individuals in just one year.



- **New residence permits in 2023:** The number of new residence permits issued in 2023 for work purposes remains limited, highlighting the restrictive nature of current immigration policies (source: Ministero dell'Interno).

Totale: 330.730



- **Immigrants' impact on welfare:** Contrary to popular belief, immigrants make a net positive contribution to the Italian welfare system. In particular, their contribution to the pension system is projected to reach +1.7 billion euros by 2040 (source: INPS). Overall, their impact on public finances is positive, with an estimated contribution of +3.2 billion euros in 2023 (source: Fondazione Leone-Moressa).

### Challenges:

- **Residence permits for work:** The current system for obtaining work permits is plagued by unrealistic quotas, ineffective procedures (e.g., the "click day" system), and potential for abuse, such as the creation of "fake jobs" to circumvent immigration restrictions. This leads to a significant portion of immigrants slipping into irregularity.
- **Educational gaps:** Immigrants in Italy are disproportionately represented in the lower end of the educational distribution, contrary to other European countries and not. This educational gap persists across generations and over the second generation, hindering their full integration and upward mobility.
- **Demographic decline:** Italy is facing a severe demographic crisis, characterised by a rapidly aging population and declining birth rates especially in the southern regions. This trend has significant implications for the labour market, the pension system, and the overall sustainability of the welfare state.

### Potential solutions proposed:

- **Rethinking temporary migration schemes:** The presentation advocates for the implementation of new temporary migration schemes that are more flexible and renewable than previous models. These schemes should be selective at both entry and during the migration process, offering a potential pathway to citizenship to incentivize integration and compliance. Crucially, they should aim to counteract irregular employment by promoting pathways for legal work.
- **Addressing demographic decline:** Migration can play a crucial role in mitigating the negative impacts of demographic decline. By attracting and integrating migrants, Italy can fill labour shortages, particularly in sectors like caregiving, and contribute to the long-term sustainability of its economy and society.
- **Integration challenges:** Successful integration requires a multi-faceted approach that addresses various challenges, including language acquisition, access to education and employment, and combating discrimination (source: OECD).

Moreover, invest in 'social' absorption capacity of immigration, more integration through better policies that facilitate legal entries and avoid marginalisation

- **Public perception:** Public opinion on immigration in Italy is often shaped by misperceptions, fears, and stereotypes, which can hinder the development of effective and humane migration policies (source: Caritas). It is crucial to foster a more informed and evidence-based public discourse on migration to promote social cohesion and understanding.

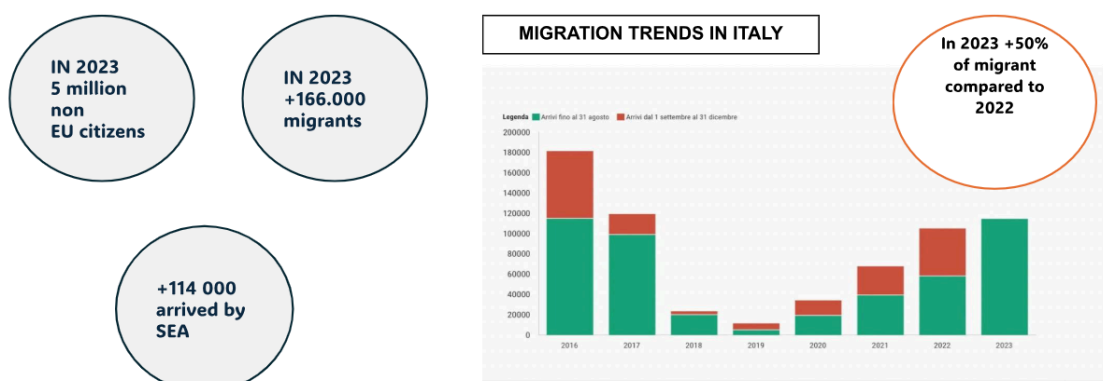
Italy faces complex and multifaceted challenges related to migration, including managing inflows, promoting integration, and addressing demographic decline. Effective policies require a balanced approach that considers both the needs of the host society and the rights of migrants. It is essential to foster a more informed and evidence-based public discourse on migration, dispelling myths and promoting social cohesion. By embracing a more open and inclusive approach to migration, Italy can leverage the potential of migration to address its demographic and labour market challenges while building a more diverse and dynamic society.

## Migrants, Asylum Seekers and refugees in Italy: A Complex Issue

Italy has long been a destination for migrants and asylum seekers, due to its geographical location and its historical role as a gateway to Europe. In recent years, the number of arrivals has fluctuated significantly, reaching a peak in 2015-2016 during the so-called "refugee crisis." While the numbers have decreased since then, the issue of migration remains a complex and politically charged one in Italy.

### Key Data and Statistics:

In 2023 over 123,000 migrants arrived in Italy by sea, according to the United Nations High Commissioner for Refugees (UNHCR). This represents a significant increase compared to previous years. The number of asylum applications in Italy has also increased in recent years. In 2022, over 77,000 asylum applications were lodged. The main countries of origin for migrants arriving in Italy are Guinea, Ivory Coast, Tunisia, Egypt, Bangladesh, Syria, and Afghanistan. The Unaccompanied foreign minors (UFM) represent 11% of migrants.



## Italian Labour Market for non-EU citizens

The Italian labour market presents a complex picture for non-EU citizens. While they represent a vital part of the workforce, particularly in key sectors like agriculture, caregiving, and construction, they face significant challenges in accessing and fully participating in the labour market. In 2023, non-EU workers constituted a significant portion of the Italian labour force, numbering 2.3 million and representing 10.1% of total employment. According to ISTAT data (2023), the employment rate for non-EU citizens in Italy stands at 58.3%, considerably lower than the 72.9% employment rate for EU citizens and 67.5% for Italian nationals. This gap highlights the barriers non-EU citizens encounter, including:

- **Gender disparities:** Migrant women face additional barriers to employment compared to men, including occupational segregation, lower wages, and limited access to childcare. This contributes to significant gender disparities in employment rates and earnings.
- **Concentration in low-skilled jobs:** A large proportion of migrant workers are concentrated in low-skilled and low-paying jobs, often in the informal economy. This limits their opportunities for career progression and economic mobility. Data shows that approximately 60.2% of non-EU citizens are employed in low-skilled jobs despite possessing higher qualifications.
- **Underutilization of skills:** Many highly skilled migrants are underemployed, working in jobs that do not match their qualifications and experience. This represents a loss of human capital and potential for both the individuals and the Italian economy. Moreover, difficulties in getting foreign qualifications recognised can prevent non-EU citizens from accessing jobs that match their skills and experience.
- **Lack of incentives for companies:** There is a lack of incentives for companies to hire and train refugees, who often face additional challenges in accessing the labour market due to language barriers, trauma, and lack of recognized qualifications.
- **Soft skills and basic skills gap:** Some migrants may lack the soft skills and basic skills required in the Italian workplace, such as language proficiency, digital literacy, and communication skills. This can hinder their employability and integration.

## Focusing on the Italian Reception System and Il Sicomoro Experience

Italy has a complex reception system for asylum seekers and migrants, which includes reception centres, temporary accommodation facilities, and integration programs.

The two main reception systems for asylum seekers and refugees are the CAS centres (exceptional reception centres) and SAI (reception and integration system) which receive incoming migrants and which, however, differ considerably in terms of the services offered and the opportunities for social and labour integration. CAS are managed by the Prefectures (local offices of the Ministry of the Interior) These centres provide temporary

accommodation and basic assistance while asylum applications are being processed. They offer the first basic services but do not actively work on the integration process.

The SAI centres run by municipalities and local organisations is a more capillary, territorial and integrated system. They receive holders of international protection, migrants with vulnerabilities, unaccompanied foreign minors and immigrants received through humanitarian corridors. The SAI reception system is based on three principles: diffuse hospitality, not large reception centres but small realities that can better integrate with the structure of communities, internal teams with high skills and multidisciplinary for an integrated approach to the reception and integration of people, focus on integration actions and autonomy of migrants.

The SAI team includes specialized professionals who offer integrated support to migrants and refugees, addressing their various needs:

- **Legal support:** Assistance with the international protection application process, managing the related documentation (residence permit, residency application, etc.), and understanding their rights and duties.
- **Healthcare assistance:** Support with registering for the National Health Service, choosing a general practitioner, booking specialist appointments, and psychological support to address any trauma or difficulties related to the migration experience.
- **Training and employment:** Italian language courses to promote linguistic integration, support with school enrolment or vocational training courses to improve skills and employability, and guidance in job searching.
- **Social support:** Orientation to specific services available in the area, assistance in accessing public administration services, promotion of activities and events aimed at fostering inclusion and social integration.

The goal is to provide comprehensive support, helping migrants and refugees achieve full autonomy and actively participate in the social and professional life of the country.

During the workshop of the Pro-mote project, we had the opportunity to explore a model of inclusion and integration for migrants and refugees, with a particular focus on labour market integration. The model was presented by the social cooperative Il Sicomoro of Matera, which has been managing several SAI (Reception and Integration System) centres in Basilicata for years.

Il Sicomoro illustrated its approach to reception and integration, which is based on holistic care of the person, with a focus on job placement. Indeed, Il Sicomoro accompanies migrants and refugees on a path to autonomy that includes vocational training, job search, support for entrepreneurship and integration into the social environment.

This intervention model, which combines reception with socio-labour integration, represents a virtuous example of how it is possible to promote the inclusion of migrants and refugees, while contributing to the development of the territory.

Support for labour integration consists of several actions that mainly aim at the empowerment of the received persons and at facilitating the encounter with the local economic context:

- **Skills assessment** through the evaluation of professional history, supporting migrants in the recognition and awareness of their skills and competences acquired also through non-formal experiences, valorisation of competences and skills, elaboration of a personal work development.
- **Orientation to the labour market** through knowledge of the territory, dedicated services and their use, orientation to different labour contracts, CV writing and simulation of a job interview.
- **Training** through networking with the Italian language course for the acquisition of a more specific and technical vocabulary for work, realisation of laboratories for the analysis of personal resources, professional courses for the acquisition of new skills and for professional upskilling and related certifications, insertion and participation in programmes and projects for job placement promoted at a regional or national level by various agencies such as the ANPAL (National Agency for Active Employment Policies) or the GOL (Guarantee of Employability for Workers) programme.
- **Internships** through networking with companies in the area, organising meetings between companies and refugees, creating agreements with companies and drafting training projects, drafting work grants for refugees, tutoring and monitoring internships.
- **Support for job placement** through assistance in the final phase of the internship, meetings with companies to monitor the worker's future, advisory on the best form of contract, support during the signing of the contract

This integrated support path translates into a holistic support system that not only strengthens and broadens the personal skills of migrants but also acts as a catalyst for the creation of an ecosystem conducive to inclusion. In other words, it sets in motion a mechanism that facilitates the encounter between training, businesses, and the territory, generating positive contacts for inclusion and integration.

The formula of the internship offers a double advantage:

- **For migrants:** It allows them to enter a real work environment and continue training, putting into practice the skills acquired and expanding their network of professional contacts. This facilitates language learning, understanding of the Italian work culture, and the creation of bonds with the local community.



- **For companies:** It offers the opportunity to get to know and evaluate the skills of migrants in a practical context and without long-term commitment. The process is facilitated and monitored by professionals who support both the company and the intern, helping to overcome any difficulties and enhance individual skills. Furthermore, the internship can help dispel stereotypes and prejudices, showing the value and potential of migrants as a resource for the company.

The inclusion and integration model implemented by Il Sicomoro has proven effective in promoting the employment of migrants. From 2019 to today, thanks to the support path and the activation of internships, over 70% of the migrants involved have been stabilized and hired by the host companies.

### Meet Migrant's Experience with Il Sicomoro

Jallow Bubacar, a 19-year-old Gambian boy, shared with the workshop participants his migration experience, from his arrival in Italy as an unaccompanied foreign minor to his integration journey.

After an initial period in a first reception centre, Bubacar was transferred to the SAI centre in Matera managed by the Il Sicomoro cooperative. There he began attending an Italian language course and, with the support of the centre's multidisciplinary team, embarked on a path of personal and professional growth, focused on his aspirations, his dreams, and his training. This path aimed to prepare him for the future, even beyond the period of stay in the reception system.



Thanks to the support and network created by Sicomoro, Bubacar obtained an internship at a business in the centre of Matera. At the end of the internship, he was hired. Today, Bubacar works, has a good fluency in Italian, is independent and self-sufficient. The integration process has allowed him to expand his network of relations and to feel part of the Matera community.

Il Sicomoro also supports pathways for the start-up of new businesses by the migrants received, such as in the case of the Ward perfumery. Mohamad, who was welcomed into the SAI centre years ago, came from a family tradition of perfumers. It was his dream to continue the tradition, to make part of his culture known and to put his knowledge in practice and create his opportunity. The support included guidance in the practical, bureaucratic, financial and networking aspects to make this wish feasible and concrete. For years, Mohamad opened and runs the Ward perfumery in Matera, where he creates customised perfumes according to the characteristics of his customers, also discovering essences from other countries.



These stories demonstrate how a well-structured reception and integration system, with particular attention to the persons, their needs and a systemic approach to training, job placement and entrepreneurship and a good network in the territories can offer migrants the opportunity to build a better future and actively contribute to society.

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## CHAPTER 3

# Perspective on Migrant Employment in Croatia: Challenges, Barriers and Best Practices

Institute for Creative Education (IKO)

CEPOR - SMEs & Entrepreneurship  
Policy Centre

## Entrepreneurship as a Pathway to Integration: Challenges, Opportunities and Benefits for Migrant Entrepreneurs

The landscape of immigrant entrepreneurship is evolving, with growing recognition of its role as a significant driver of innovation and job creation. Historically, immigrant entrepreneurship was linked to economic hardship, where self-employment was seen as a way to make a living in the absence of job opportunities. Research supporting this view has suggested that some immigrants turn to entrepreneurship to escape low-wage jobs or workplace discrimination (Barrett, Jones and McEvoy, 1996; OECD, 2011; OECD/European Commission, 2023). This has led to the assumption that immigrant-run businesses primarily serve niche ethnic markets, such as stores offering specialty foods, with limited broader economic impact (Clark and Drinkwater, 2000; Basu and Altinay, 2002; Dalhammar, 2004; OECD/European Commission, 2023).

While this view remains true for some immigrant entrepreneurs, the overall picture is evolving and becoming more nuanced. Immigrants' labor market outcomes are at their highest levels since 2001, particularly for immigrant women (OECD, 2023), and the number of immigrant entrepreneurs and business owners in the European Union has nearly doubled in the past decade, largely due to rising international migration (OECD/European Commission, 2023). Furthermore, the economic contributions of immigrant-owned businesses are growing in many countries (OECD/European Commission, 2023). Recent research in Sweden shows that immigrant-owned businesses, particularly those led by non-Europeans, are more likely to hire employees and have larger workforces than native-owned businesses (Neuman, 2021). Similarly, studies in Germany suggest that immigrant founders have higher growth ambitions than their German-born counterparts (75% vs. 55%), and 60% of German unicorns have at least one immigrant founder (Startup Verband, 2023). These findings align with a U.S. study, which found that immigrant entrepreneurs are more likely to pursue economic opportunities and create more opportunities for others (OECD/European Commission, 2021).

These results are important because they highlight the growing economic impact of immigrant entrepreneurs, which can inform policy decisions, business strategies, and workforce development. For policymakers, understanding this dynamic can guide the creation of inclusive policies that support immigrant-led businesses, while for business leaders and investors, recognizing the potential of immigrant entrepreneurs can uncover new opportunities for innovation and growth.

### A snapshot of migrant entrepreneurship ...

The *Missing Entrepreneurs* (OECD/European Commission, 2023) series of publications examines barriers to entrepreneurship for underrepresented groups, such as women, youth, seniors, immigrants, and other marginalized populations, and provides insights into how to foster a more inclusive entrepreneurial environment. According to the latest publication

(OECD/European Commission, 2023) some interesting data can be highlighted regarding immigrants' self-employment and entrepreneurship activities across European Union Member States and OECD countries. Some interesting data are presented as follows:

- The share of immigrants among the self-employed in the EU nearly doubled over the past decade. In 2013, about 2% of the self-employed in the EU were born in another EU Member State and 5% were born outside of the EU and these shares increased to 4% and 8% in 2022.
- The share of immigrants who are self-employed in the EU is 28% higher in 2022 than in 2013.
- In 2022, there were almost 26 million self-employed people in the EU, of which nearly three million were immigrants (11%).
- About 30% of self-employed immigrants in the EU employed at least one employee in 2022, which was about the same proportion as non-immigrants.
- Self-employed immigrants were more likely than non-immigrants to employ others in over half of EU Member States in 2022.
- In the EU, the self-employed workers are most likely working in service and sales or as professionals.
- Occupations of self-employed immigrants are largely consistent with those of non-immigrants.
- Self-employed immigrants are more likely to be working in service and sales (25% for those born outside of the EU and 16% of those born in another EU Member State) compared to non-immigrants (15%).

In conclusion, the data from the *Missing Entrepreneurs* (OECD/European Commission, 2023) highlight the growing role of immigrants in self-employment and entrepreneurship across the EU. Immigrants are increasingly contributing to the entrepreneurial landscape, with higher rates of self-employment and business ownership, as well as a notable presence in employing others, reflecting their significant impact on the economy.

## **Migrant and refugee's entrepreneurship: barriers and challenges**

Many migrants and refugees encounter obstacles to entrepreneurship, such as language and cultural barriers, limited access to financial resources (e.g., banking services and collateral), and a lack of social capital (e.g., support networks). Refugee entrepreneurs face additional challenges tied to their legal status, such as not having the right to work or engage in self-employment, non-recognition of their refugee documentation, and the psychological impact of forced displacement. Both groups may also experience negative effects from xenophobia and stigma in the host country.

Targeted support is essential to help migrants and refugees overcome these challenges, not only to promote business creation but also to enhance the sustainability of these ventures. This section outlines the key barriers to entrepreneurship faced by migrants and refugees, as identified in the *Policy Guide on Entrepreneurship for Migrants and Refugees* (United Nations, 2018).

The key barriers and challenges in migrant and refugee entrepreneurship can be identified in several areas, including the **policy and regulatory environment, language and cultural barriers, access to technology, innovation, and startup ecosystems, as well as challenges related to access to finance, networks, and awareness**. The key challenges identified in each area are presented below.

## Policy and regulatory environment

The barriers to entrepreneurship for migrants and refugees include restrictive immigration and visa policies that limit their right to work or self-employ. These restrictions often depend on the length of their stay or the specific professions they can engage in. Migrant and refugee entrepreneurs also face regulatory challenges, such as complex administrative requirements, language barriers, and difficulty in obtaining necessary permits or licenses. The lack of recognition for foreign qualifications can further complicate business registration. Location also plays a critical role in their socioeconomic integration. Refugees and migrants in camps face limited opportunities for movement, education, and employment, while policies that dictate where they can settle affect their ability to build sustainable livelihoods. Additionally, the sudden nature of forced displacement often leaves migrants and refugees unprepared, without documents or qualifications, and facing challenges in sectors requiring recognized credentials.

**Table 1:** Migrant and Refugee Entrepreneurship Issues and Specific Challenges Identified in the Policy and Regulatory Environment

Issue	Specific challenges
Rights to work and support	<ul style="list-style-type: none"> <li>• Lack of rights to work and/or self-employment</li> <li>• Lack of clarity on implications of entrepreneurial activity for access to social protection (e.g. welfare support)</li> </ul>
Regulatory barriers to starting a business	<ul style="list-style-type: none"> <li>• Unclear registration processes</li> <li>• Lack of clarity on link between legal status and business regulations</li> <li>• Lack of clarity about foreign ownership rules</li> <li>• Limited knowledge of regulatory requirement</li> </ul>



	<ul style="list-style-type: none"> <li>• Limited interpretation and translation services at local authorities</li> </ul>
Locational policies	<ul style="list-style-type: none"> <li>• Limited locations providing entrepreneurship education programmes</li> <li>• Limited mobility due to distance of refugee camps and security concerns</li> </ul>
Consequences of sudden forced displacement	<ul style="list-style-type: none"> <li>• Complex processes for recognition of prior qualifications</li> <li>• Lack of recognition of refugee documentation for the purpose of registering a business</li> </ul>

Source: United Nations (2018). *Policy Guide on Entrepreneurship for Migrants and Refugees*, p. 15

## Education and skill development

Migrants and refugees face significant barriers to entrepreneurship due to language and cultural challenges. These barriers can restrict the types of businesses they can start, particularly if they choose to focus on their ethnic community and avoid engaging with the broader market. They may struggle to understand local consumer needs and business norms, and their efforts may be hindered by stigma or discrimination.

Additionally, the lack of access to entrepreneurship education and support programs in host countries further complicates their entrepreneurial ambitions. Language and cultural barriers often prevent them from participating in such programs, while vocational training typically overlooks business skills that could enhance labor-market outcomes. Furthermore, existing entrepreneurship education often focuses on practical concepts rather than fostering an entrepreneurial mindset, and many resources are not translated into accessible languages. There is potential for migrants and refugees to act as mentors, providing ongoing support to other entrepreneurs and fostering stronger cross-border business connections.

**Table 2:** Migrant and Refugee Entrepreneurship Issues and Specific Challenges Identified in the Education and Skill Development

Issue	Specific challenges
Language and cultural barriers	<ul style="list-style-type: none"> <li>• Struggle to understand mainstream consumer needs and preferences, business culture and norms of the host society</li> </ul>

Disconnection from entrepreneurship education	<ul style="list-style-type: none"> <li>• Lack of entrepreneurship programmes accessible to migrants and refugees</li> <li>• Limited linkages between entrepreneurship education and other integration programmes</li> <li>• Limited linkages between vocational education and entrepreneurship education</li> </ul>
Inappropriate pedagogies	<ul style="list-style-type: none"> <li>• Limited programmes focused on developing an entrepreneurial mindset</li> <li>• Lack of teaching materials in migrant and refugee languages</li> </ul>

Source: United Nations (2018). *Policy Guide on Entrepreneurship for Migrants and Refugees*, p. 17

## Technology exchange, innovation and the environment for start-up

Migrants and refugees often face weak ecosystem linkages that limit their economic activity and social mobility. Many reside in disadvantaged areas with insecure housing, health risks, and limited access to quality education and sustainable livelihoods. These conditions push them towards low-profit, informal businesses rather than innovative or higher-value ventures. As a result, they may become disconnected from broader entrepreneurship and innovation ecosystems, limiting their access to necessary resources like working spaces, infrastructure, or incubators. Policymakers must ensure that entrepreneurship support is accessible not only to migrants and refugees but also to host-community members who share similar challenges.

Additionally, the erosion of social networks due to migration or forced displacement weakens the support systems that entrepreneurs rely on. However, diaspora networks can help bridge this gap by providing valuable resources such as start-up financing, market information, and access to international business partners. Over time, migrants and refugees may rebuild or establish new networks that can support their entrepreneurial endeavors.

**Table 3:** Migrant and Refugee Entrepreneurship Issues and Specific Challenges Identified in the Technology exchange, innovation and the environment for start-ups

Issue	Specific challenges
Weak ecosystem linkages	<ul style="list-style-type: none"> <li>• Limited linkages with the private sector and broader entrepreneurship and innovation ecosystem</li> </ul>

	<ul style="list-style-type: none"> <li>• Limited linkages with and university-based entrepreneurship centres</li> <li>• Inadequate access to working spaces and infrastructure</li> </ul>
Weak diaspora linkages	<ul style="list-style-type: none"> <li>• Limited linkages to entrepreneurship and innovation opportunities and ideas in countries of origin</li> </ul>

Source: United Nations (2018). *Policy Guide on Entrepreneurship for Migrants and Refugees*, p. 18

## Access to finance

Migrant and refugee entrepreneurs often face significant barriers in accessing finance, particularly from formal banking institutions. This is due to a lack of credit history, collateral, or necessary documentation, especially for refugees who may have fled their countries in haste and cannot return to retrieve their capital or papers. Financial institutions may view their businesses as high-risk or low-profit, and cultural prejudices may further hinder trust. Refugees often face additional challenges such as the lack of official documentation from the host country, making it difficult to open bank accounts or access credit.

Due to these challenges, many migrants and refugees turn to informal financing sources, such as personal savings, family, friends, and co-ethnic or diaspora communities. Additionally, cultural beliefs, low financial literacy, and language barriers may discourage them from engaging with formal financial institutions, further isolating them from mainstream credit markets.

**Table 4:** Migrant and Refugee Entrepreneurship Issues and Specific Challenges Identified in the Access to Finance

Issue	Specific challenges
Limited access to finance	<ul style="list-style-type: none"> <li>• Limited access to start-up financing</li> <li>• High credit and collateral requirement</li> <li>• Limited credit history</li> <li>• High restrictions on access to finance and bank accounts based on legal status</li> </ul>
Reliance on informal finance	<ul style="list-style-type: none"> <li>• Low financial literacy levels</li> <li>• Absence of translation services to assist with filling out finance applications</li> </ul>

## Networks and awareness

Migrant and refugee entrepreneurs often lack strong support networks, which are essential for launching and growing successful businesses. Co-ethnic networks can be a motivating factor for entrepreneurial activity, but migrants and refugees may not have access to these networks in their host countries, particularly if their country of origin is not a traditional source of migrants to that destination. Displacement often disconnects them from previous networks, and digital diaspora networks cannot fully replace the local community support needed for day-to-day business operations. Migrants from less represented countries or cultures may face greater challenges in accessing these networks, which are vital for navigating regulatory environments and gaining information.

While local networks are crucial, the changing demographics of migrant populations and the growth of transnational diaspora networks present new opportunities for entrepreneurship. These expanding networks can help migrant and refugee entrepreneurs access resources and global business connections. However, migrants and refugees also face challenges such as discrimination, xenophobia, and stigmatization in host countries, which can hinder their entrepreneurial success. Supportive national legislation, favorable government policies, active private sector engagement, and inclusive local communities are key factors that can enable migrant and refugee entrepreneurs to overcome these barriers and thrive.

**Table 5:** Migrant and refugee entrepreneurship issues and specific challenges identified in the networks and awareness

Issue	Specific challenges
Lack of support networks	<ul style="list-style-type: none"> <li>• Disconnection from previous networks</li> <li>• Lack of co-ethnic networks</li> <li>• Disconnection from broader entrepreneurial networks</li> </ul>
Populism and xenophobia	<ul style="list-style-type: none"> <li>• High levels of stigma towards and discrimination against migrants and refugees</li> <li>• Insufficient promotion of role models</li> <li>• Limited promotion of migrant and refugee entrepreneurship initiatives</li> </ul>

## Supporting entrepreneurship among migrants and refugees: benefits and opportunities

Promoting entrepreneurship among migrants and refugees can provide significant advantages, not just for the entrepreneurs themselves but also for the host countries and their countries of origin. In host countries, migrants and refugees often bring essential skills and expertise that contribute to economic development. Meanwhile, in their countries of origin, diaspora members and returnees can support entrepreneurship by utilizing the resources, knowledge, and networks they have gained through migration, and by serving as mentors for local entrepreneurs or helping facilitate cross-border trade and marketing opportunities. The *Policy Guide on Entrepreneurship for Migrants and Refugees* (United Nations, 2018) highlights the main benefits and opportunities of promoting entrepreneurship among migrants and refugees, which are summarized in the following text.

Migrant and refugee entrepreneurship can significantly contribute to the economic and social development of host countries in several ways:

- 1. Economic Growth and Innovation:** Migrants and refugees bring diverse skills, knowledge, and perspectives, which can lead to innovation and market growth. This "diversity dividend" fosters new ideas and solutions that can introduce new products, processes, and business practices.
- 2. Business Creation:** Migrants and refugees tend to have a high propensity for entrepreneurship, driven by their risk tolerance and determination to build new lives abroad. Their entrepreneurial activity can stimulate further entrepreneurship, both within migrant communities and among native populations.
- 3. Job Creation:** Migrant-owned SMEs create jobs at a rate similar to native-owned businesses. Research in OECD countries shows that foreign-born entrepreneurs create additional jobs, contributing significantly to employment and reducing reliance on welfare.
- 4. International Trade:** Migrant and refugee businesses often have access to transnational networks, which allows them to develop trade links with their countries of origin. This advantage can reduce transaction costs and help identify market opportunities and risks.
- 5. Local Economic Development:** Migrant and refugee businesses can revitalize low-income areas and provide essential services. These businesses also offer employment opportunities and skills training for their communities, contributing to social mobility and reducing exclusion.
- 6. Social Cohesion and Community Well-being:** Migrant businesses often foster social inclusion by serving local needs, offering affordable services, and creating

cross-cultural exchanges. They play an important role in building bridges between different communities, thus promoting social cohesion.

Migrant and refugee entrepreneurship not only benefits host countries but can also contribute significantly to the economic development of migrants' and refugees' **countries of origin** in various ways:

1. **Creation of New Businesses:** Migrants and refugees, having gained financial resources, sector-specific knowledge, and international work experience abroad, are well-positioned to invest in or start businesses in their countries of origin. Their expertise, networks, and familiarity with business practices can drive sector growth and innovation. Importantly, this contribution doesn't always require their permanent return, as temporary or virtual engagement can be leveraged to benefit both the host and origin countries.
2. **Remittances and Diaspora Investment:** Global remittances, which are a major financial flow to low- and middle-income countries, significantly exceed official development assistance. Remittances often increase in times of economic uncertainty, acting as a stable financial source. Beyond supporting family livelihoods, remittances help alleviate credit constraints, enabling recipients to invest in local businesses.
3. **Transfer of Knowledge:** Migrants bring valuable knowledge, skills, and business contacts from abroad, which they can share with communities in their countries of origin. This knowledge transfer helps foster innovation and can be a catalyst for private sector growth in sectors that were previously underdeveloped or lacking in expertise.

Entrepreneurship provides significant financial, social, and psychological benefits **for migrants and refugees**, offering them a vital opportunity to rebuild their lives in host societies. These benefits can be summarized as follows.

1. **Economic Benefits:** Entrepreneurship provides a pathway to financial security, particularly when migrants and refugees face barriers such as discrimination, language challenges, or lack of recognition for foreign qualifications. These obstacles often lead to higher unemployment and underemployment, pushing them toward self-employment as an alternative to insecure or low-wage jobs. While the decision to start a business may be driven by necessity, entrepreneurship can offer a route to financial independence.
2. **Social Benefits:** Migrant and refugee entrepreneurs often experience higher social status, independence, and autonomy. They can also tap into co-ethnic networks in their host countries and diaspora communities for mentorship, financial support, suppliers, and customers. Beyond ethnic networks, broader social networks—such

as religious or political groups—also provide support and opportunities for social integration.

- 3. Psychological Benefits:** Entrepreneurship offers psychological well-being by providing a sense of dignity, especially for refugees who may be unemployed or underemployed. For many migrants and refugees, starting a business offers more meaningful work compared to jobs where they are overqualified. It also provides an opportunity to contribute to the host society without displacing local workers, helping mitigate potential xenophobia. Refugee entrepreneurship can contribute to long-term solutions for both the displaced and host communities, supporting self-reliance and facilitating the transition from crisis to stability.

In conclusion, supporting self-employment and entrepreneurship among migrants and refugees is not only vital for their personal empowerment and integration but also offers significant economic and social benefits for host countries. Migrants and refugees, through their entrepreneurial ventures, contribute to job creation, innovation, and social cohesion, driving local economic growth. Moreover, their entrepreneurial activities extend beyond the host country, fostering economic resilience and development in their countries of origin through remittances, investments, and knowledge transfer. Therefore, promoting and facilitating entrepreneurship for migrants and refugees is a key strategy for enhancing both their well-being and the broader societal and economic development of the regions in which they settle.

## The Story of Ayman Youssif – Immigrant Entrepreneur in Croatia

Ayman Youssif is an Egyptian immigrant who has successfully established himself as an entrepreneur in Croatia despite numerous challenges.

Ayman's journey began in his hometown of Al-Minya, an industrial city along the Nile River in Egypt. Seeking a better life for himself and his family, Ayman decided to take a long and uncertain route to Europe. Like many other migrants, his journey involved both physical and emotional hardships, including a significant amount of time spent walking. His first stop was Hungary, where he sought asylum and even worked briefly as a barber. However, his application for permanent residency was denied, and he was deported to Croatia. Initially, Croatia was not his intended destination, but it became his new home through a combination of circumstances and his own adaptability.

Ayman's initial experiences in Croatia were marked by significant difficulties. He spent a year in an asylum center, an experience he prefers not to recall. However, by 2018, he had secured legal residency and began working in a local barbershop near Zagreb's Kvaternik Square. During this time, he familiarized himself with the Croatian language and culture.



Despite the challenges of navigating a new social and administrative system, Ayman's determination to succeed remained unwavering.

In 2019, Ayman opened his first barbershop, which he named "Samo tu" ("Only Here"). Located in the Vrbik neighborhood of Zagreb, the shop was modest in size and decor. Initially, his clientele consisted mainly of fellow migrants and friends from the asylum center. However, through word-of-mouth and social media, Ayman's reputation began to grow. A turning point came when the Jesuit Refugee Service, a Catholic organization, recommended his services on social media, praising his skills and his efforts to integrate into Croatian society. This endorsement helped attract a broader clientele, including local residents and even professional athletes.

The success of "Samo tu" enabled Ayman to expand his business. In 2023, he opened a larger, more modern salon named "Ayman & the Barbers." This new salon has become a hub of activity in the Vrbik neighborhood, known for its vibrant and welcoming atmosphere. Ayman's attention to detail and commitment to quality have made his salon particularly popular among athletes, including footballers and boxers. Signed jerseys from prominent sports figures decorate the salon's walls, as a testament to the strong relationships he has built with his clients.

Ayman's success as an entrepreneur also extends to his role as an employer. His team includes both Croatian and foreign staff, reflecting the diversity and inclusivity of his business. He takes pride in providing opportunities for others, just as he was given a chance to build a new life in Croatia. His wife, Sarah, is actively involved in the business, and their two children have adapted well to life in Zagreb, becoming fluent in Croatian and English. Despite the challenges of learning a new language and culture, Ayman's family has embraced their new environment, demonstrating the possibilities of successful integration.

However, there were some systemic challenges Ayman faced as a migrant entrepreneur. Securing the necessary permits and navigating Croatia's bureaucratic processes were significant obstacles. For example, Ayman found it easier to rent a commercial space for his salon than to secure housing for his family, reflecting the societal barriers that migrants often encounter. Additionally, frequent inspections by authorities have added another layer of complexity to running his business. Nonetheless, Ayman's meticulous approach to compliance and his positive outlook have allowed him to overcome these hurdles.

Ayman's story underscores the broader implications of immigration and integration policies. His journey from an asylum seeker to a successful business owner illustrates the potential for immigrants to contribute meaningfully to their host communities when they are supported and given opportunities. His barbershop has not only become a thriving business but also a symbol of cultural exchange and mutual respect. By blending elements of Egyptian and Croatian cultures, Ayman has created a unique space that resonates with a diverse clientele.

Since leaving Egypt, Ayman has not returned to his hometown. While he expresses hope of visiting the family he left there one day, his focus remains on building a stable and

prosperous life for his wife and children in Croatia. This aspect of his story highlights the emotional toll of migration, even for those who achieve significant success in their new environments.

Ayman represents a compelling example of resilience and integration. His achievements reflect not only his determination but also the potential for immigrants to contribute positively to their host societies when given the opportunity.

## **Instead of the Conclusion: The (un)expected trajectories of migrant entrepreneurs and digital nomads: Lessons (to be) learned**

Over the past decade, the entrepreneurial and migratory landscape has undergone significant transformations, fueled by global phenomena such as the rise of digital nomadism, increased migration, and the proliferation of international mobility opportunities. These changes, combined with challenges posed by exogenous shocks like the COVID-19 pandemic, Brexit, and natural disasters, have highlighted both the resilience and vulnerabilities of migrant entrepreneurs and digital nomads. In this section, we explore possible lessons learned from their trajectories and the implications for host societies.

## **Key Developments at the Intersection of Migration and Entrepreneurship**

Croatia stands out as one of the first countries in the world to introduce a digital nomad visa, making it a notable case study in leveraging global trends. However, this progressive step coincided with rising barriers to doing business for immigrant entrepreneurs, reflecting a paradoxical policy environment (OECD/European Commission, 2023). Simultaneously, Croatia has experienced significant emigration and immigration waves, with a sharp increase in digital nomads globally, estimated at 35 million in 2023—a 37% increase compared to the previous year (Think Remote, 2024).

Digital nomads, characterized by an average age of 32 and a mean annual income of \$120,512, represent a new form of mobility driven by technology and lifestyle preferences (Think Remote, 2024). However, their experiences are not without challenges, including difficulties with Wi-Fi connectivity, communication across time zones, and balancing work and personal lives (Think Remote, 2024). Despite these hurdles, emerging destinations like Croatia continue to attract digital nomads, drawn by safety, affordability, and widespread English proficiency among locals (Bradbury, 2020).

## Barriers and Resilience Strategies of the Immigrant Entrepreneurs in Croatia

Immigrant entrepreneurs in Croatia face a dual reality: while the country's lifestyle and cultural richness are celebrated, navigating its bureaucratic and regulatory systems can be daunting. Key challenges include excessive bureaucracy, language barriers, and an informal taxation system that creates unpredictability in business operations (Alpeza et al; Brzozowski et al, 2022). For instance, many immigrant entrepreneurs highlight the necessity of hiring trustworthy local accountants and lawyers to manage compliance issues effectively (Simic Banovic et al., 2022).

Despite these obstacles, immigrant entrepreneurs have demonstrated resilience through strategies such as:

- **Adaptability:** Accepting and integrating into local cultural norms rather than attempting to change them.
- **Community Engagement:** Building connections with local communities to gain trust and access networks.
- **Patience and Optimism:** Preparing for slow processes and systemic inefficiencies.

The experiences of immigrant entrepreneurs and digital nomads in Croatia offer several lessons with wider relevance and broader implications:

- **Intersection of Formal and Informal Barriers:** Challenges faced by immigrant entrepreneurs increasingly mirror those of local entrepreneurs, underscoring the need for systemic reforms that benefit all business owners (Brzozowski et al, 2022; Simic Banovic et al., 2022).
- **Importance of Networks:** Both formal and informal networks play a pivotal role in supporting entrepreneurial ventures. Transnational social connections, mentorship, and community-based associations are invaluable resources.
- **Flexibility and Resilience:** The ability to adapt to external shocks—whether economic, social, or environmental—is a critical survival factor for entrepreneurs and nomads alike (Conz et al., 2020).
- **Policy and Advocacy:** Removing bureaucratic hurdles and fostering an inclusive policy environment can unlock significant potential for both immigrant entrepreneurs and digital nomads, benefiting host societies through innovation, job creation, and cross-cultural exchanges.

## Final remarks

The globally proven advantages of immigrant entrepreneurship—such as job creation, innovation, and economic spillover effects—remain underappreciated in many countries, including Croatia. By addressing key barriers and leveraging the strengths of migrant entrepreneurs and digital nomads, host societies can unlock new opportunities for growth and integration. Regular networking, professional training, and advocacy initiatives are essential to fostering a more inclusive entrepreneurial ecosystem.

Moreover, the lessons learned emphasize the importance of adaptability and resilience, particularly in the face of external shocks like the COVID-19 pandemic, Brexit, and natural disasters. Immigrant entrepreneurs and digital nomads exemplify the value of informal networks, flexibility, and resourcefulness, making them integral contributors to the socio-economic fabric of their host countries (Simic Banovic et al, 2022).

As countries like Croatia navigate the complexities of migration and entrepreneurship, the lessons learned from these groups highlight the importance of resilience, adaptability, and community engagement in building sustainable and successful societies. By fostering an environment that supports both immigrant entrepreneurs and digital nomads, policymakers can create a more inclusive and dynamic economic landscape, benefiting all stakeholders involved.

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## CHAPTER 4

# Perspective on Migrant Employment in Poland: Challenges, Barriers and Best Practices

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## EU and national legal obstacles affecting migrants: the case of Poland

### Introduction: the origins of mass migration in Europe

Today, when discussing the topic of international migration, we often consider not only economic, social, cultural and political issues, but the notion of security. National and regional security is becoming the most important aspect of our daily lives and also influences migration policies and migration management.

Yet, it is important to remember that our European traditions in this aspect are much more liberal than they are today. In spite of political divisions in Europe, the 19th century was marked as a period of intensive mobility of persons within the continent, i.e. between European nation-states. Foreigners and foreign workers were crucial in the period of urbanization and development of major European cities. For instance, the foreign population of Paris has tripled between 1851 and 1891 from 62 to 219 thousand persons, reaching 9 per cent of the total number of inhabitants. The same, albeit even more intensive growth was observed in the cosmopolitan Vienna, whose population grew tenfold between 1810 and 1910: a bulk of this growth was attributed to immigrant inflow, as in 1900 around 54% of its population was composed of migrants. Also middle-size cities were attracting migrants: out of 115 thousand persons living in French Roubaix in 1891, 46% were Belgians.

Europe at that time was characterized by the economic boom due to industrial revolution combined with demographic expansion, which pushed peasants to move from agriculture to the industrial sector. The industrial revolution contributed not only to the development of mining, textile or metallurgy industries, but also to the creation of new means of transport: steamships and railways. The first regular passenger steamship service between Britain and Ireland was created in 1815: as a result, dozens of thousand Irish travelled to plant and lift potatoes in Scotland. Later on, the development of steamships dramatically shortened and made more accessible the migration beyond Europe to both Americas. As for the trains, the contribution to human mobility was even greater: for instance in 19<sup>th</sup> century North Italians (many of them farmers) travelled to German Ruhrgebiet to work in coal mines in winter, when the demand for coal was higher. Migrants were also employed in infrastructural projects (canals, bridges, and railway construction).

Initially, such mobility was greatly unrestricted by the European states. Later on, in the 20th century the migration between the nation-states became regularized through international agreements. For instance, in 1919 the French government signed an agreement with the Polish counterpart to recruit migrants to Nord-Pas-de-Calais, Picardy and Lorraine regions in (N/N-E). Almost 500 thousand Poles worked in coal mines and steelworks in those regions till early 1930s.

The economic crisis in Europe from 1929 has led to antisemitic and anti-migrant campaigns, fueled by nationalist ideology and propaganda. Consequently, the 1930s in Europe were marked by limited economic migration flows, substituted by large movements of political migrants and refugees fleeing persecution from Nazi Germany and Austria, Franco regime in Spain, and many others. Obviously, the next decade was even more dramatic, marked by the forced exoduses and intentional resettlements of national and ethnic minorities either as a result of oppressive nationalistic ideologies, or simple change of borders and political regimes in post-Jalta Europe in mid 1940s.

## **The fundamentals: EU integration and EU citizens mobility**

After the dramatic experience of the 2nd World War, the Western European elites were confronted both with the political division of the continent due to the cold war and iron curtain, and the need to build European unity in the remaining democratic part. In this aspect, it is worth stressing that migration laid at the core of the European integration process. After the devastating war, European economies needed to rebuild their industries – yet many of them were affected by great demographic imbalances. In this aspect, the first idea to link former enemies by cooperation in steel and coal industries was connected to the mobility of people. The Treaty of Paris (1951), which funded the European Coal and Steel Community expressed precisely that there should be the right to free movement for workers within the signatory parties. The same principle was confirmed by the Rome Treaty (1957) and the creation of the European Economic Community (EEC). The article 3 of the Treaty stated that: “the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein (...) c) the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital”. In this initial period of European integration, the main sending country was Italy, from which 300 thousand people migrated only in 1951, many of which headed to mines and steelworks in Belgium, Germany or France.

Yet, the full freedom of movement of workers (including all economic sectors) within EEC took more time to be implemented: according to the Council Regulation n°15 of 1961, nationals of the EEC member states received the right to take up employment in another member state, provided that there were no nationals of that member state available for the job. And only 7 years later, on 8<sup>th</sup> November 1968: regulation (EEC) no 1612/68 entered into force, granting that free movement of workers was fully implemented within the Communities.

With subsequent enlargements of EEC, the growing concern among the European societies about the implications of massive migration from poorer European countries resulted in the (temporary) restrictions on workers mobility. This trend became visible already with the accession of Greece (1981) and then Portugal and Spain (1986). In 1976, more than 240 000 Greeks were already working in the European Community, mainly in Germany, the United Kingdom and France. Greece had a higher unemployment rate than its future European

partners, while its GDP was 50 % below the Community average. Consequently, the old member states opted for regulations delaying full freedom of movement for Greeks, which entered in force only on 1<sup>st</sup> January 1988.

The same anxiety was visible during the biggest enlargement of the EU in 2004: 2004 A8: the huge income disparities between old EU-15 and new A8 countries combined with demographic pressure in CEE Europe resulted in worrisome migration projections, and those in turn contributed to the establishment of transitional periods for labor market access. For the new member states, including V4 countries (Poland, Slovakia, Czechia & Hungary) + Baltics (Latvia, Lithuania, Estonia) + Slovenia – restriction to free employment possibilities in EU15 countries were possible till a maximum period of 7 years, i.e. 1<sup>st</sup> May 2011. As for 1<sup>st</sup> May 2004, the first day of accession, only the United Kingdom, Ireland and Sweden were brave enough to open their labor markets to EU nationals from CEE. The same policy was repeated in 2007 with Bulgaria and Romania's entry to the EU. Restrictions to labour markets of EU25 were possible till 31<sup>st</sup> December 2013. Austria, Belgium, France, Germany, Holland, Luxembourg, Malta, Spain and the United Kingdom used this possibility.

As for the terminology adopted in the EU, it is more correct to identify EU citizens living in another EU country as EU nationals, whereas the term immigrant is restricted to foreigners coming from non-EU (third countries).

Concluding this section, it is worth confirming that Intra-EU Labour mobility is at the heart of the EU single market and one of the principal freedoms of the EU. This implies that each EU citizen has a freedom to seek employment in another EU country. As for 1<sup>st</sup> January 2023, there were 13.9 million EU citizens living in other EU countries than their country of citizenship. This number is relatively modest, as within-EU migrants constitute only 3.1 per cent of the EU population. On the other hand, in the same period the population of citizens of non-member countries in the EU was 27.3 million, representing 6.1 % of the EU population.

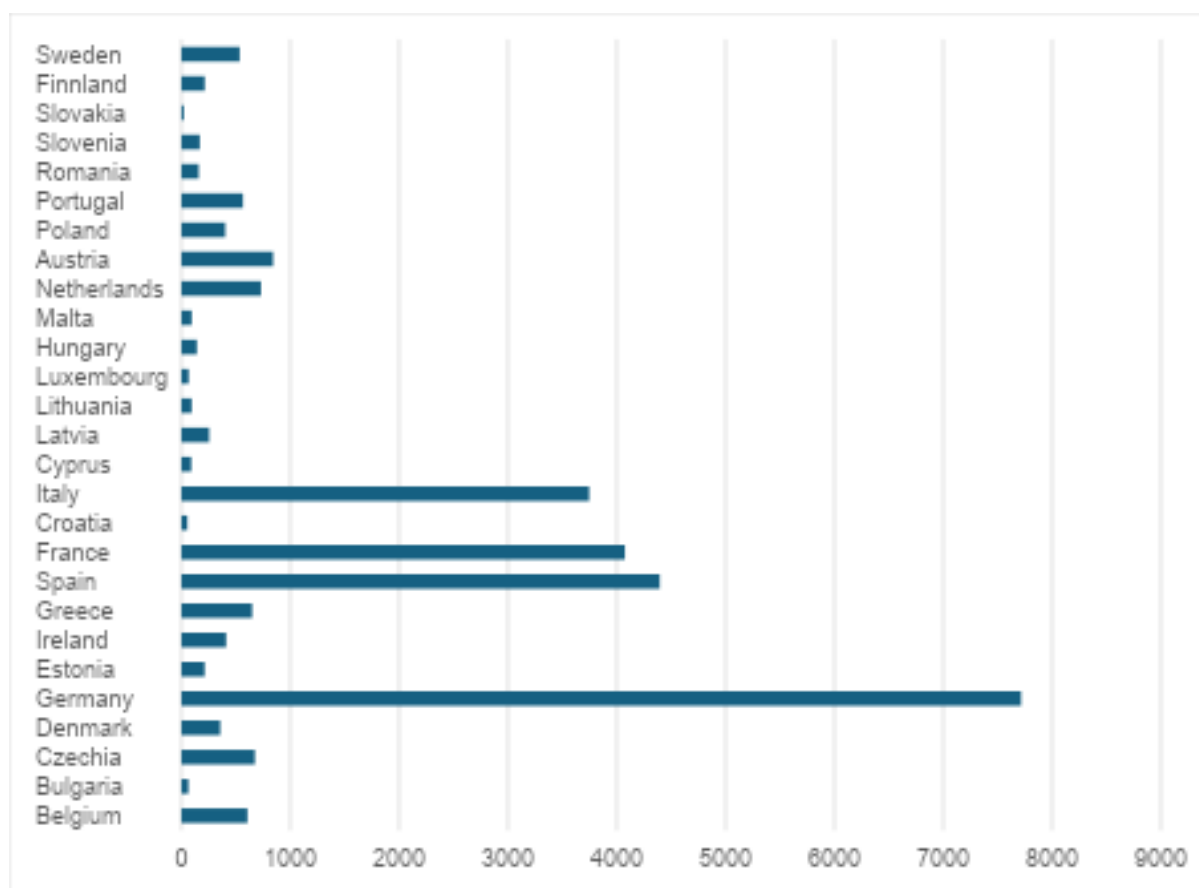


Figure 1. Third country population in the EU countries, 1<sup>st</sup> January 2023 (in 000s)

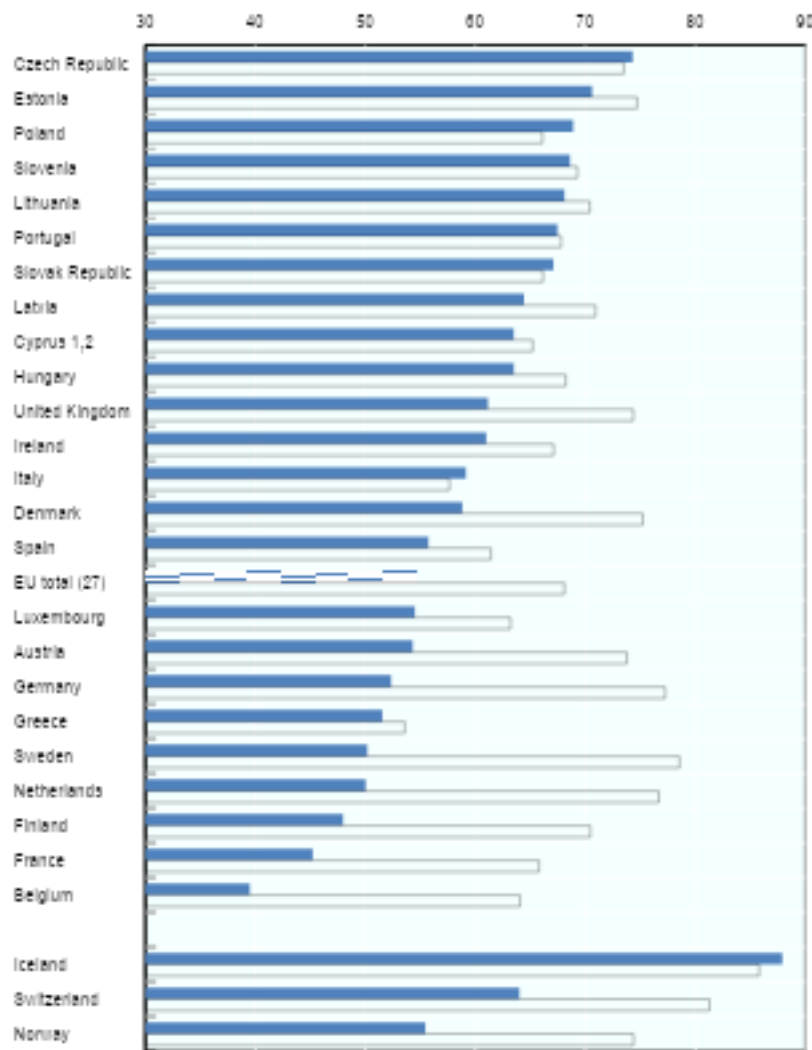
Source: Eurostat (2024).

The countries with the highest numbers of immigrants from non-EU countries are Germany (7.7 million) and France (4.1 million). In the case of countries represented in the Pro-mote project, the biggest population of immigrants is located in Spain (4.4 million), followed by Italy (3.7 million), Austria (842 thousand), Poland (402 thousand) and Croatia (55 thousand). Please note however, that the statistics displayed on Figure 1 do not include data on Ukrainian refugees, with temporary protection and residing in the EU countries from 2022.

## Third country nationals and the EU Single Market

In spite of the decades of intensive regional integration, EU nation states remain highly heterogenous in many cultural, political, social and economic aspects. This is also visible in their approach to migration and integration policies, which remain the prerogative of each EU country. In this aspect, there is a lack of universal rules for entry of third country nationals: EU member states retain complete autonomy of EU members both in case of migration policies and labor market requirements. This in turn implicates heterogenous approaches to employment and entrepreneurial opportunities for migrants and refugees, an area which is of special focus of the Pro-mote Project.

Figure 2. Employment rates of third-country nationals, 2017



Source: OECD (2018)

The results of these different arrangements and conditions are becoming visible in the case of such crucial measures of immigrant integration as employment rate. In the entire EU the employment rate of immigrants - 54.6 per cent - is below the EU average (68.1 per cent). As for Pro-mote countries, the biggest disparity is in Austria, where the employment rate for immigrants (54 per cent) is lagging behind the national average (73.8 per cent) by almost 20 percentage points. In Spain, the gap between immigrants and natives is lower (around 6 per cent), whereas in Italy and Poland the employment rate among immigrants is higher than in the case of natives (no data for Croatia for this year).

The diversity of approaches is substantial and in this chapter there is no room for such detailed analysis. Nevertheless, the migration policies and integration regimes between EU countries vary in such aspects as:

- Laws and political tolerance towards visa-free regime and subsequent legalization of pseudo-tourists coming for work purposes. For example, in June 2017, Ukraine entered into a visa-free regime with the EU. Ukrainian citizens holding biometric passports were allowed to enter EU territory and stay for up to 90 days. However, they were not permitted to work during this period and still needed to apply for a National D-type Work Visa in the country where they intended to seek employment.

Poland, however, provided a notable exception to this rule. In Poland, Ukrainians could enter as tourists without a visa and subsequently apply for a work permit, significantly simplifying economic migration to the country. This relatively liberal migration policy remained in place until 2022, when it was affected by the full-scale Russian invasion of Ukraine.

- EU member states generally follow a uniform asylum policy based on the criteria established by the 1951 Geneva Refugee Convention. According to this convention, applicants for international protection must demonstrate a “well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion” to qualify for asylum. Furthermore, international protection is typically granted in the first safe country neighboring the refugee’s country of origin. Additionally, the Dublin III Regulation obliges the EU member state where an asylum seeker first enters EU territory to process their asylum application, preventing refugees from applying for asylum in multiple EU countries.

The situation with Venezuelans presents a unique challenge. Since 2014, Venezuela has faced a severe political, economic, and social crisis, resulting in 7.7 million Venezuelan migrants and refugees worldwide as of May 2024. However, many Venezuelans do not meet the Geneva Convention’s criteria for asylum. In response, some Latin American countries have applied the more flexible and inclusive principles of the 1984 Cartagena Declaration. Within the EU, Spain has taken significant steps to accommodate Venezuelan migrants. In 2018, the Audiencia Nacional (Spanish National Court) ruled that Venezuelan asylum applicants were entitled to residence permits on humanitarian grounds. This decision was reaffirmed in 2021 by the Tribunal Supremo (Spanish Supreme Court), which clarified that while Venezuelans did not qualify for international protection, they could obtain residence permits based on humanitarian reasons.

- Legislation allowing easier citizenship acquisition for diaspora members (by descent) – while some EU countries have or used to have rather strict nationalization principles for immigrants, some others retain quite generous and flexible regulations for citizenship acquisition for members of their diaspora. This is the case of Hungary, Poland, Germany and Italy.
- Different access to the labor market and entrepreneurship – even for the same category of third country nationals within the EU, different rules can be applied in

every EU member state. For instance, the recent Ukrainian refugees whose status in the EU has been determined by the Temporary Protection Directive, had quite heterogeneous rights when it comes to economic activity in the destination country.

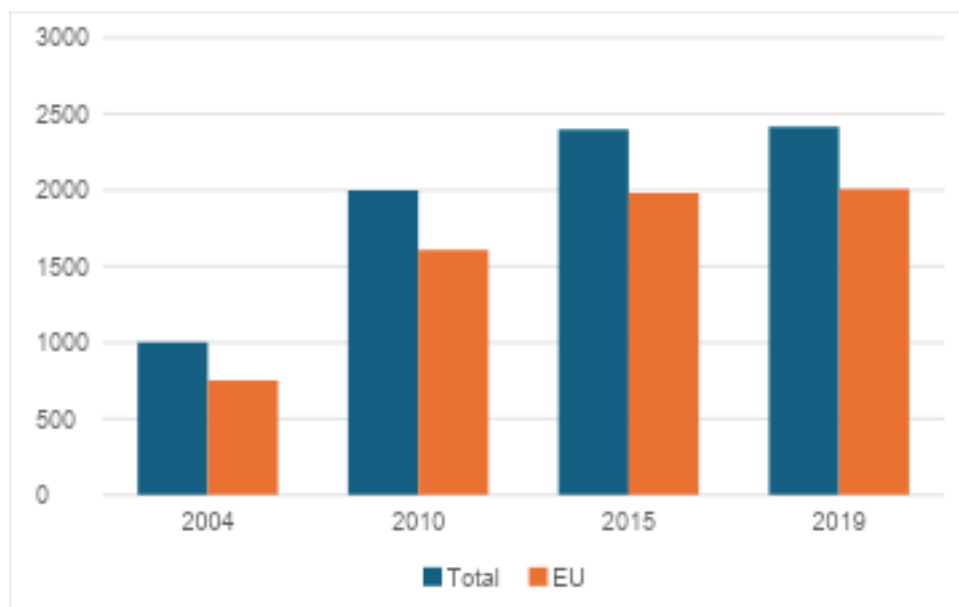
In Poland, they can both take employment or start single proprietorship entrepreneurship, in Netherlands they can only work, whereas in Germany before taking employment they are usually screened for qualifications and encouraged to undergo several months of intensive traineeship before working (cf.

<https://www.dw.com/en/ukrainian-refugees-in-germany-why-few-work-for-a-living/a-68338226>)

## National legal obstacles for third country nationals in Poland

Poland is a new important destination for immigrants. The country has undergone a migration transition in a similar way that Spain and Italy did: from an intensive emigrant-sending nation to a net immigration country, i.e. country who annually records more inflows than outflows of migrants. Poles were considered as a traditional nation of migrants, with intensive movements experienced from the mid 19th century onwards. Currently the Ministry of Foreign Affairs estimates the number of Polish diaspora (including all persons who have Polish ethnic origin, not necessarily migrants) at 20 million worldwide. The last massive migration from Poland took place after the EU accession in 2004: the population of emigrants from Poland increased from 1 million in 2004 to 2.4 million in 2015 (out of which 2 million in the EU) and then stabilized (Figure 3).

Figure 3. Stock of emigrants from Poland, in thousands



Source: Statistics Poland (2020).



Starting with 2014, a new trend emerged: intensive immigration to Poland, mostly of Ukrainians. This was mostly an economic migration, but also political factors mattered in this regard – the Revolution of Dignity and subsequent secession started by Russians in Crimea and Donbas (2014) led to political instability in the country. Additionally, with full-scale Russian aggression on Ukraine in February 2022, another wave – this time of Ukrainian war refugees – have entered Poland. Consequently, at the end of 2022 the Ukrainian population in Poland consisted of 2.1-2.3 million persons, including economic migrants arrived before 2022 (1.1-1.2 million) and refugees (1-1.1 million, cf. Duszczek et al., 2023). Apart from Ukrainians, as for December 2024 there are also 419 thousand immigrants from other countries in Poland, including Byelorussians (140 thousand), Georgia (26 thousand) or India (24 thousand).

Until recently, Poland did not have a coherent migration and integration policy, as most of the political attention was paid to emigration and diaspora issues. Starting from 2014, the bottom-up approach was being implemented: mostly largest cities had been introducing their integration and multicultural programs, such as Model of Integration of Immigrants (Municipality of Gdańsk, 2016) or Open Kraków (Municipality of Kraków, 2016). The common elements of these programs were: creation of an intercultural center with information points for foreigners and shared space for NGO initiatives, intercultural training for public administration officers, language training for immigrants and the creation of dedicated posts in public administration serving immigrants (often in their national languages). The example of such a program – Otwarty Kraków – will be described in detail in the following chapter.

In 2023, thanks to FAMI (Asylum, Migration and Integration Fund ) funding, some of the Polish regions had started a design of regional integration strategies and policies. The example of such an initiative is Małopolska Otwarta (Open Małopolska), a project carried out by the regional authorities of Małopolskie voivodeship. After a period of intensive research and consultations in 2023, the document Program of integration of immigrants in Małopolskie voivodeship “Open Małopolska” has been accepted. It includes a set of support measures for immigrants in the economic activity, education, healthcare, housing and social assistance (<https://www.malopolska.pl/malopolska-otwarta/dokumenty>).

Finally, in 2024 the central government started activities aimed at designing a new immigration, integration and diaspora policies, namely the document *Migration Strategy of Poland for 2025-2030*. The document has also important EU repercussions, as it was accepted before 1st January 2025, when Poland will take over the presidency of the Council of the EU. In particular, the Polish government has the ambition to export some of the ideas and instruments of the Strategy to the EU level.

The process of creation of Migration Strategy is highly relevant for Pro-mote project, as the document itself was supposed to rely on the insights from research commissioned by the Ministry of Internal Affairs to the Committee for Migration Research of the Polish Academy of Science. The research project “Migration policy in Poland: the view of institutional actors” was started in April 2024 and finalized in August 2024 with a report which identified the

state of the art in terms of migration policy, integration policy and diaspora policy, the instruments which worked well and the elements that required improvement. Between May and June 2024 the research team conducted a CAWI survey among 1200 respondents and 19 focus group interviews with 136 respondents: representatives of public institutions, migrant associations, NGOs and international organizations, trade unions, employer associations, educational and research institutions.

The report “Migration policy in Poland: the view of institutional actors” published in October 2024 focuses on 8 areas:

1. Mission, aims and functions of migration policy.
2. Access to territory.
3. Access to national and international protection.
4. Access to the labour market.
5. Access to education and educational migration.
6. Integration.
7. Citizenship and repatriation.
8. Polish diaspora.

In terms of Pro-mote project relevance, access to the labour market and integration were the most relevant areas.

As for the legal framework on labour market, the report identified the following issues:

- Simplified procedure [declaration of entrusting work to a foreigner] – a fast-track instrument that enables immigrants to work without applying for the work permit. This procedure is available only for citizens of Armenia, Belarus, Georgia, Moldova and Ukraine for a period up to 24 months. It is a very flexible tool, but only for a restricted list of countries. The institutional actors expressed a very positive rating of this tool, suggesting its expansion for a larger group of countries.
- Too liberal approach to agencies of temporary employment – the participants argued that there is little control from the state, and proposed to certify the agencies and make stricter controls of their activities.
- It took a long time to get the work permit – the voivodeship offices are congested, too little staff employed, therefore some investments in these areas are needed, and the digitalization of the entire procedure was suggested.
- Work permit bonded to specific employer and work contract – after changing the employee or getting a promotion a migrant needs to apply for a new one. The participants suggested that an immigrant should have more flexibility in this aspect.

- Lack of dedicated, work-specific Polish language courses for specialists (doctors, nurses) – even on a commercial basis. Additionally the frequency of national exams in Polish language proficiency should be increased. These two are the most serious obstacles, preventing highly skilled medical workers from effectively using their qualifications in Poland.
- Access to single-proprietorship entrepreneurship (self-employment) restricted only to Ukrainians. Other third-country nationals cannot be self-employed (with some minor exceptions), and the rules to obtain residence permit based on the limited liability company ownership is very difficult (high income cap), discouraging potential entrepreneurs (so-called “entrepreneurial trap”).
- The system of diploma nostrification and qualifications recognition is too costly and too long, especially in medicine, but also in research and higher education.
- Foreign graduates of Polish universities should have a longer period of time for job-seeking in Poland. Foreign part-time students are not allowed to work, which is an obvious legal gap.
- Persons applying for international protection in Poland are deprived of the right to work even if they are willing to do so. This is a serious barrier in their integration.

As for the legal obstacles in integration, the following issues have been identified by the experts:

- Individual Integration Programs for persons seeking international protection do not work properly. There is not enough funding, and the officers have too many beneficiaries to supervise.
- Most important barriers to socio-economic integration are the problems with qualifications recognition and lack of access to Polish language courses (actually, those two are interrelated).
- Also xenophobia and discrimination, especially in the case of immigrants from Asian and African countries.

In October 2024, the Polish government announced the document “REGAIN CONTROL. ENSURE SECURITY. COMPREHENSIVE AND RESPONSIBLE MIGRATION STRATEGY OF POLAND FOR 2025-2030”. This was a surprising move, as the institutional actors were waiting for consultations of this document. Unfortunately, due to political reasons (which are not relevant for our project) the consultations were minimal and carried ex-post, after the publication of the Strategy (and after the approval of the Strategy by the government). The Strategy:

- Focuses on threats connected to irregular migration and on important, yet relatively minor issues, like refugee inflow – there are currently (till October 2024) 12 thousand

asylum applications in Poland, and the number of illegal crossings of Polish-Belorussian border is estimated at 30-40 thousand per year. At the same time, the number of legal migrants in Poland is 2.3-2.5 million.

- Simplified procedure: suggestions of limitation of the entitled countries in 2025.
- Work permits for immigrants: linked to countries with successful readmission arrangements with Poland/EU (many important countries, like India, Pakistan or Nepal are not included)
- Declaration of the point system in migrant recruitment – selective immigration policy, following the examples of Canada, the US or New Zealand. Preference should be given for the professions where there is a shortage of workers on the national labor market).
- Marginal discussion on qualification of migrants – only one sentence, suggesting that this topic is not important in policy agenda.
- No changes in entrepreneurship regulations.
- Declarations of restricting visas for foreign students (problem of pseudo-students who were only enrolled in private universities but did not study, used student visas to get access to employment).

As for December 2024, the direction of the reforms in migration policies in Poland are far away from the expectations of the institutional actors. Yet, the process of law implementation is ongoing so it is difficult to fully assess the new policies. Moreover, it is worth stressing that this is an innovative process: for the first time, the Polish government has designed a migration strategy for the country and included – albeit not effectively – the researchers in this process.

## **Integrating immigrants at local level: the case of the municipality of Kraków: Open Kraków Program**

Kraków owes its exceptionally rich cultural heritage not only to its native residents who were born in the city but also to newcomers from both Poland and abroad. Alongside outstanding and extraordinary individuals, Kraków has always attracted ordinary immigrants who brought diverse cultural influences to the city's fabric while contributing to its socio-economic development.

Kraków is the second most diverse city in Poland after the capital. It serves as an important academic hub and a center for economic investments, consistently attracting foreign financial and human capital. The city is also one of the most attractive tourist destinations in Europe.

Thanks to a coherent and consistent municipal policy focused on diversity management, and the "Open Kraków" Program, adopted in 2016, it has been possible to create both spaces and tools aimed at integrating foreigners arriving in Kraków. Numerous projects and initiatives have been implemented to promote the city's diversity, such as the annual **Multicultural Ambassador Contest**, where activists and organizations supporting diversity and the inclusion of foreigners are nominated. Additionally, the **"Welcome Home – A Guide for Foreigners"** was created, compiling essential information on the practical aspects of arriving in a new country. Another key initiative was the establishment of the **Information Point for Foreigners and the Multicultural Center in Kraków**. Activities under these initiatives have been carried out continuously since 2021 by the IB Poland Foundation.

<https://otwarty.krakow.pl/>

### **The Multicultural Centre in Krakow and the Information Point for Foreigners**

The Multicultural Centre in Krakow, along with the Information Point for Foreigners project, co-funded by the City of Krakow, has been managed by the IB Poland Foundation, in cooperation with partners, continuously since 2021.

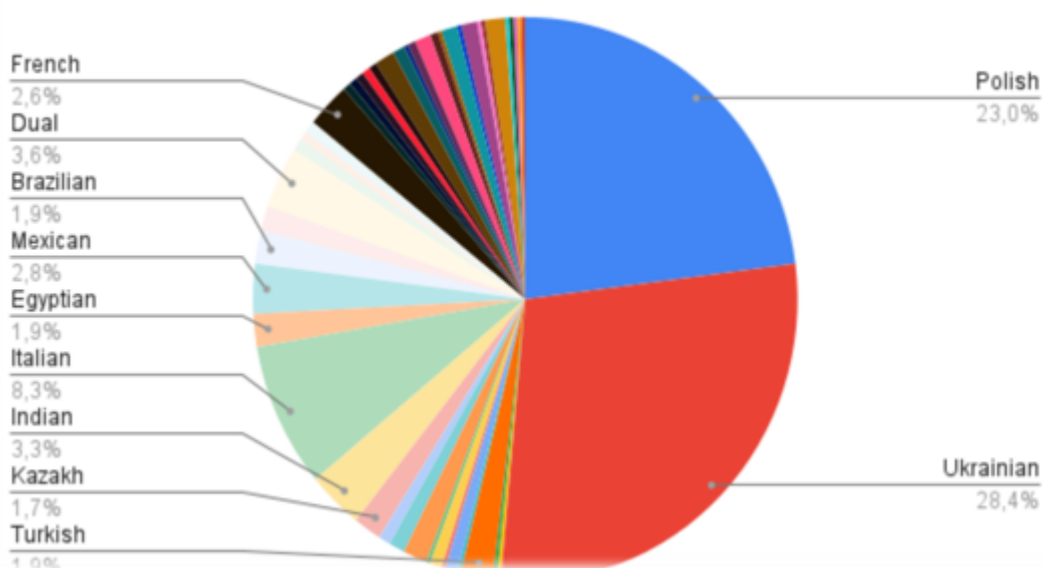
During this time, the project has provided support, inclusion, and assistance to people living in Krakow, including 'New Cracovians' — individuals who have come to Krakow from different parts of the world and have chosen the city as their home.

Through a variety of activities and initiatives, we have created a space of openness, tolerance, respect, and understanding, inviting all residents of Krakow to participate.

Over nearly four years of operation, we have built a large network of supporters for the Centre's activities at the institutional, organizational, and individual levels.

**In 2024 alone, more than 15,000,000 people from dozens of countries benefited from the activities of the Multicultural Centre and the Foreigners' Information Point.**

### Nationalities of Multicultural Center Participants



## 1. Main Activities

The activities of the **Multicultural Centre in Krakow** encompass a variety of initiatives aimed at people from different cultures, supporting **integration, education, and the building of a strong community** within the local environment. It is a place where people can meet, build new relationships, and work together towards better intercultural understanding. All activities and initiatives under the project are free of charge for participants.

Since 2024, the Multicultural Centre has been operating in a modern building of the Socio-Economic Innovation Cluster at Zabłocie 20. This space hosts numerous events, workshops, meetings, and classes, aimed not only at integration but also at personal development and mutual support.

## 2. Language Courses and Conversation Clubs

The Centre offers Polish and English language courses. Currently, specialized Polish language courses are conducted, including classes for Arabic, Spanish, and Turkish speakers. Additionally, the Centre offers Polish Sign Language classes designed for foreigners.

Every Tuesday and Thursday, conversation clubs are held:

- Polish Language Café on Tuesdays
- English Speaking Club on Thursdays

These are ideal opportunities to have relaxed conversations on various topics, meet new people, and practice language skills in an informal atmosphere.

### 3. Multicultural Walks

In addition to language courses, the Centre organizes themed walks around Krakow in different languages. Participants have the chance to **learn about the city's history and its notable figures**.

The walks cover diverse topics, often tied to current events and anniversaries, such as:

- Easter Traditions Walk
- Krakow Nativity Scene Tour
- Women of Krakow Walk (on International Women's Day)
- Queer Walk (during Equality Month)

### 4. Breakfasts and Culinary Workshops

The Centre also hosts multicultural breakfasts, where participants can **prepare their favorite traditional dishes** and share stories about their home countries. It's an opportunity for others to taste new cuisines and learn about foreign customs.

For those who want to delve deeper into international cuisine, culinary workshops are organized, led by New Cracovians.

### 5. Open Community Evening

On the last Thursday of every month, the Open Community Evening takes place. In a friendly atmosphere, participants discuss important topics and share their **experiences of living abroad**. These meetings help foster connections and often lead to **new ideas for collaborative initiatives**.

### 6. Information Point for Foreigners in Krakow

The Information Point for Foreigners operates within the Centre, supporting newcomers by offering **practical assistance and easing their adaptation to the city**.

At the Information Point, visitors can receive:

- Legal advice
- Psychological support



- Essential information about living in Krakow, including labor law, healthcare, and the education system (schools and kindergartens).

All consultations at the Information Point are free of charge and available to everyone in need.

The goal of the Multicultural Centre is not only to serve Krakow's residents by providing them with a space to pursue their own initiatives but also to act as a bridge between local authorities, cultural institutions, and organizations. This helps address the evolving needs of the community and ensures that the voices of New Cracovians are heard, recognizing them as equal residents of the city.

<https://ib-polska.pl/centrum-wielokulturowe-w-krakowie/>

[https://otwarty.krakow.pl/centrum\\_wielokulturowe/250861,artykul,o\\_centrum.html](https://otwarty.krakow.pl/centrum_wielokulturowe/250861,artykul,o_centrum.html)

## CHAPTER 5

# Perspective on Migrant Employment in Spain: Challenges, Barriers and Best Practices

Cecot Innovation Foundation

## Challenges and barriers faced by migrants and refugees when entering and participating in the EU labour market in each partner country.

The significant migratory movements that occur year after year in Europe also have a substantial impact on Spain due to its geographic location and official language. As such, it stands as one of the main entry points for migrants and refugees in Europe. For this reason, Spain plays a crucial role in the integration of these populations into the labour market.

It is worth noting that the European Union (EU) is known for its progressive policies regarding human rights and its commitment to fostering economic and social integration. Despite these efforts to implement inclusive policies, migrants and refugees face numerous challenges and barriers in their search for employment or the launch of entrepreneurial projects in Spain.

This document examines these challenges, categorizing them into structural, social, and individual factors.

As for the structural barriers, one of the most significant barriers for migrants and refugees is navigating the complex legal and administrative systems required to access the labour market. Many refugees arrive in Spain without proper documentation, and obtaining work permits often involves lengthy and bureaucratic processes.

In first place, for those refugees who want to claim for asylum, frequently must wait months or even years for their asylum applications to be processed, leaving them in legal limbo and unable to work legally.

Secondly, people face problems for the recognition of qualifications. This means that migrants and refugees with professional qualifications often struggle to have their credentials recognized in Spain due to mismatched systems and a lack of mutual recognition agreements.

In third place, there are some compulsory documents to be able to work in Spain legally. For that reason, without a NIE (foreigner identification number), migrants cannot access subsidized training programs, work legally, or obtain a social security number (which is mandatory to work). It's important to add, that many orientation and training programs are also inaccessible as they require participants to have a NIE for justification purposes. Furthermore, those awaiting asylum approval are often left in administrative limbo, unable to work legally or participate in formal training programs. This forces many to work in the informal economy, where conditions are often exploitative.

Finally, as a structural barrier, it's important to mention the regularization processes. Recently, Spain has approved a policy allowing undocumented migrants to start a regularization process if they can demonstrate a residence of 2-3 years. While this is a step forward, the process remains complex and inaccessible for many.

Other structural barriers are those tied to the access to language training and education. Language is a key factor in labour market integration. Many migrants and refugees lack proficiency in Spanish, which significantly limits their job opportunities. It's important to add that Spain has other co-official languages as for example Catalan, Basque or Galician that could be a requirement in some labour offers, making it more complicated for migrants to enter the labour market.

This lack of knowledge of the language becomes an important barrier because the access to language courses and vocational training programs is often inadequate for migrants and refugees. One of the main challenges is the scarcity of affordable language programs, with many existing courses being either too expensive or not sufficiently tailored to meet the needs of working migrants. In addition, there is a mismatch in vocational training, as many programs fail to align with the specific skills, qualifications, or career aspirations of migrants and refugees.

This combination of factors limits their ability to integrate effectively into the labour market and further exacerbates the difficulties they face in finding stable employment.

But as it is said before, there are not only structural barriers, there are also social barriers that migrants and refugees must face.

Discrimination based on nationality, ethnicity, or religion continues to be a persistent issue for migrants and refugees in Spain. Employers may be hesitant to hire foreign workers due to stereotypes, biases, or assumptions about their capabilities. Studies have shown that hiring discrimination is a significant problem, with migrants who have non-European names being less likely to receive callbacks for job applications. Additionally, those who do manage to find employment may experience workplace exclusion or harassment. Furthermore, despite some awareness campaigns, racism and prejudice remain widespread, highlighting the significant need for continued sensitization efforts to address racist attitudes both in workplaces and within society at large.

Migrants and refugees often face the challenge of limited social networks, which are crucial for finding job opportunities in Spain, where personal recommendations and informal job markets play a significant role in hiring. Many migrants experience isolation in host communities, living in segregated areas with limited interaction with the local population, which further hinders their integration into the broader labour market. While migrant networks can provide some support, these connections tend to be restricted to low-wage and precarious jobs, limiting the potential for upward mobility and long-term career prospects.

Individual barriers play a significant role in the challenges migrants and refugees face in the labour market, particularly in terms of psychological and emotional challenges. The migration journey, along with subsequent experiences in host countries, often leads to psychological stress and trauma, which can hinder job performance and adaptation. Refugees fleeing conflict or persecution are particularly vulnerable, as they may suffer from post-traumatic stress disorder (PTSD), which impacts their ability to seek and retain

employment. Furthermore, lack of self-confidence due to negative experiences in the labour market, such as repeated rejections, can erode migrants' self-esteem and diminish their motivation to continue job hunting.

Migrants and refugees often experience a mismatch between their skills and the jobs they can secure, leading to underemployment. Highly skilled migrants, for example, may accept low-paying jobs in sectors such as agriculture or hospitality due to a lack of recognition for their qualifications, a situation known as overqualification. Professionals with high-level qualifications, such as doctors, often face lengthy administrative processes to have their degrees recognized in Spain, preventing them from practicing their professions. Moreover, prolonged unemployment can lead to the erosion of previously acquired skills, further exacerbating their underemployment.

So far, we have focused on the job search, but if we talk about entrepreneurship, we can see how some of the barriers mentioned above are repeated for this profile, such as language or work permits. That is why we are now going to highlight those barriers that exclusively affect the entrepreneurial profile.

One of the main difficulties is bureaucracy and legal obstacles. Many migrants struggle with administrative processes, which presents an additional challenge, particularly for those who are not fluent in Spanish. This complexity includes legal business formation, tax requirements, and permits necessary to operate in certain sectors. There is also a degree of legal uncertainty, as regulations can change unexpectedly, creating insecurity for entrepreneurs who are just starting their businesses.

Another significant barrier is limited access to financing. Many migrants lack credit history or stable financial backgrounds, which makes it difficult for them to obtain commercial loans or financing to start their businesses. Furthermore, many migrant entrepreneurs do not have family or trusted networks to act as guarantors, making it even more challenging to obtain credit. There is also a lack of tailored funding programs for migrant entrepreneurs, restricting their initial capital and investment capacity.

Language and cultural barriers are also important factors. A lack of proficiency in Spanish can hinder their understanding of regulations, contracts, interactions with financial institutions and suppliers, as well as their ability to effectively communicate with customers.

Additionally, cultural differences can make it difficult for migrants to adapt to local business expectations and unwritten market norms. Stigma and prejudice towards migrant-owned businesses can also make it harder to create networks with clients and suppliers, as some may perceive these businesses as less reliable or of lower quality.

The lack of networking opportunities is another significant obstacle. Business networks are essential, but many migrants arrive in Spain without a local support network to help them find clients, suppliers, partners, or mentors. They also have a limited understanding of the local business ecosystem, including events, associations, and chambers of commerce, restricting opportunities to build alliances and gain strategic information.

Market challenges and competition can also be difficult for migrant entrepreneurs. Many enter highly competitive sectors, such as hospitality or retail, where the barriers to entry are low but competition is fierce, making it difficult to stand out and attract customers. Moreover, a lack of technical knowledge, specific certifications, or connections limits their ability to enter high-demand sectors such as technology or specialized services.

Another obstacle is the lack of awareness of resources and support programs. While there are some general support programs and grants for entrepreneurs, many migrants are not informed about these resources or do not meet the requirements to access them.

The impact of economic instability also poses a challenge for migrant entrepreneurs. Many are in sectors that are particularly vulnerable to economic crises, such as hospitality or retail, where income instability is higher. Furthermore, the need to adapt to digitalization has increased, but many migrant-owned businesses lack the resources or knowledge to adapt to this shift, which has been especially difficult since the pandemic.

Finally, discrimination and unequal treatment can hinder access to essential services. Some migrant entrepreneurs experience discriminatory attitudes, limiting their access to financial services, commercial space leases, or business associations.

This combination of barriers presents a challenging landscape for migrants and refugees who want to start a business in Spain. Overcoming these limitations requires a mix of legal reforms, specific advisory and financing programs, and anti-discrimination measures.

## Detailed case studies and descriptions of successful initiatives, programs, and projects that have demonstrated positive outcomes in overcoming the challenges.

This section presents various case studies and initiatives that have demonstrated positive outcomes in addressing the social and economic challenges faced by migrants in Spain, as well as promoting entrepreneurship as a driver of inclusion and growth. Through advisory programs, educational resources, financial support, and networks, these initiatives have contributed to improving migrant integration into the labour market and fostering their entrepreneurial success.

- **Conecta Migrants & Refugees:** This program offers educational resources, personalized mentoring, and a network of contacts to support immigrants and refugees in creating businesses. It also provides innovative entrepreneurship tools and access to expert workshops.  
<https://conecta.bridgeforbillions.org/construyendo-ecosistemas-inclusivos/>
- **Tomillo Foundation:** It offers individualized advice, access to financing, training and support for the growth of already established businesses. It is an excellent option for

immigrants looking to establish themselves as entrepreneurs in Spain.

<https://tomillo.org/noticias/apoya-inmigrantes/>

- **Xarxa Empren:** A service by the Generalitat de Catalunya providing a wide range of support for entrepreneurs, including specific resources to start and grow their businesses. <https://xarxaempren.gencat.cat/ca/inici>
- **Fundació Eveho:** dedicated to supporting vulnerable youth and individuals at risk of social exclusion by offering training and guidance in entrepreneurship and business management. Its programs empower participants, including migrants, to develop essential skills for starting and running successful businesses. By fostering self-reliance and promoting social integration, Eveho helps individuals build sustainable futures. <https://www.eveho.eu>
- **Helpempresa:** Supports businesses in challenging situations and helps them become more resilient to future challenges. It's an excellent resource for entrepreneurs needing support to stabilize and grow their businesses. <https://helpempresa.com/>
- **Programa Consolida't:** A program designed for self-employed individuals to help them consolidate and grow their businesses, offering support for both local and migrant entrepreneurs.
- **Acceleració en òrbita:** aimed at helping companies scale their growth, this program provides specific tools and guidance for migrant-led businesses looking to expand and reach new markets.
- **Terrassa Aposta x l'ocupació:** A local program providing orientation, training, and job placement for people over 40, including migrants, who live in Terrassa.
- **Placement agencies:** a collaboration with the Catalan Employment Service, these agencies assist migrants and local residents in finding job opportunities, focusing on labor market integration.
- **Collaboration with Immigration Ministry:** this initiative facilitates labor intermediation for South American professionals, helping migrants from this region find employment opportunities in Spain.
- **Asylum, Migration and Integration Fund (AMIF):** This fund focuses on orientation, training, and labour insertion specifically for foreign women, helping them integrate into the workforce and entrepreneurship ecosystems.
- **30 PLUS PROGRAM:** Offering orientation, training, and job placement for individuals over 30 who are unemployed, this program aims to create high-quality employment opportunities.
- **FOAP PROGRAM:** a training program for unemployed people with the objective to offer them training and professional qualification to return to the labor market.



At the entrepreneurship and business growth area of Cecot, we promote the creation of new companies, their growth and consolidation.

There are two options for self-employment. The first is entrepreneurship, which involves starting from scratch. You come up with a business idea, develop it, and turn it into reality. The second option is Reempresa, instead of starting a business from scratch, you acquire an existing company and continue its operations.

In the following section, we will explore the **Reempresa** initiative in greater detail.

Reempresa was launched in 2010 thanks to a collaboration between Cecot business association and Autoocupació Foundation, with the objective to keep local SMEs on business. Nowadays it is the one-stop-shop point for selling or buying a SME in Catalonia, offering free of charge services thanks to public-private collaborations. Reempresa and its services promote maintenance of an ongoing company, save jobs, appreciate the work done by the employer and monetize the sale. For entrepreneurs,

Reempresa offers several key advantages:

- Access to the property of a company without going through the phase of creation.
- The opportunity to acquire ownership of an already operational company.
- Accelerated feasibility assessment and implementation.
- Reduced risks and a higher survival rate compared to starting a new business.
- Opportunities for inorganic growth through acquisition.
- Greater facilities for access to funding for the reason of being a project with history.
- Maintain contacts and market position.
- Keep guarantees and dealings with suppliers and landlords.
- Accelerate the economic viability of the company creation process.
- Encourage potential entrepreneurs who have no intention of creating their own business.

Reempresa offers a range of services designed to support both business owners and entrepreneurs throughout the process of business transfer. Reempresa offers tailored services to help entrepreneurs find the right business opportunities, assist in selecting suitable companies for acquisition based on the entrepreneur's profile and goals, ensuring a good match. Reempresa guarantees the accuracy of the information provided about the businesses and verifies the intentions of the entrepreneurs, ensuring trust in the process.

Additionally, it categorizes businesses for transfer, simplifying the search for entrepreneurs. Reempresa also helps entrepreneurs establish funding models and secure financing, offering guidance on financial planning for a smooth acquisition. Throughout the process, it provides expert advisory support to guide entrepreneurs in their decision-making. Lastly, it ensures that the entire transaction follows a strict technical and legal process, giving entrepreneurs confidence in the business transfer.

To ensure a good service, Reempresa's consultants treat with total confidentiality all consultations and contrast the provided information by buyers and sellers. This assures that published information in ads is truthful and more accurate (than other platforms in the market), helping to make decisions.

Reempresa has a team of consultants and technicians distributed throughout Catalonia and Balearic Islands. It also has a large network of public institutions, entrepreneurial organizations and private companies.

Reempresa's team of consultants advise throughout all transferring processes of a company, from first introductory meeting between parties to the final purchase agreement, going through the negotiation to reach the final. The advice provided by consultants is characterized for being neutral for both parties and professionals due to previous expertise.

Reempresa is built on four fundamental pillars that ensure the success of business transfers and support both business owners and entrepreneurs throughout the process. These pillars include:

- 1. Advisory Services:** Expert advisory and consultancy services throughout the M&A process, providing tailored guidance for both sellers and buyers. This includes assisting sellers in preparing a personalized transfer plan, supporting them in finding potential buyers, and advising on business valuation. For buyers, Reempresa helps identify businesses that match their strategic goals and guide them in defining entrepreneurial projects. Additionally, it supports the preparation of selling offers, defines the entrepreneurial project, provides negotiation assistance, helps draft agreements between buyer and seller, and offers guidance on securing funding for the transaction.

Reempresa has its own methodology. It begins with a personal interview with the seller to know about his business. As well, with a personal interview with the buyer to know about their interests.

- **Introduction of the parties.** A meeting to introduce the entrepreneur/s interested in buying the company.
- **Signature of a confidentiality agreement between parties.** It is a document that will regulate the flow of information between both parties from this moment.

- **Negotiation.** The aim of this part of the process is to define the terms and conditions of the transfer.
- **Signature of a Letter of Intent.** The letter details the agreements in the company's purchase contract, and an exclusivity clause for a determined period of time.
- **Due Diligence.** Optionally, an external audit could be done.
- **Signature of the purchase contract.**

**2. Marketplace & CRM:** A comprehensive marketplace featuring a wide range of SMEs from across the territory.

The platform [www.reempresa.org](http://www.reempresa.org) allows:

- To put in contact seller and buyer.
- To select companies according to the province, sector and advertisement type.
- To provide and guarantee the information of the companies to sell.
- To keep the anonymity of both parties.
- Direct contact with the Reempresa team.
- Press and documentation room.

**3. Training:** Access to training and education programs focused on helping buyers to find their company and go deeper in main aspects to take in consideration in all areas of the transfer process, for example: legal, labour and tax aspects of the transfer process, negotiating tools, business plan, economic and financial plan, valuation of business.

Different networking activities are also organized, such as elevator pitches (sellers present their company in one minute to an audience of potential buyers) and speed networking area between sellers and buyers (like introductory meeting between seller and buyers, that takes 30 minutes. Allows parties to hold several meetings in a single day).

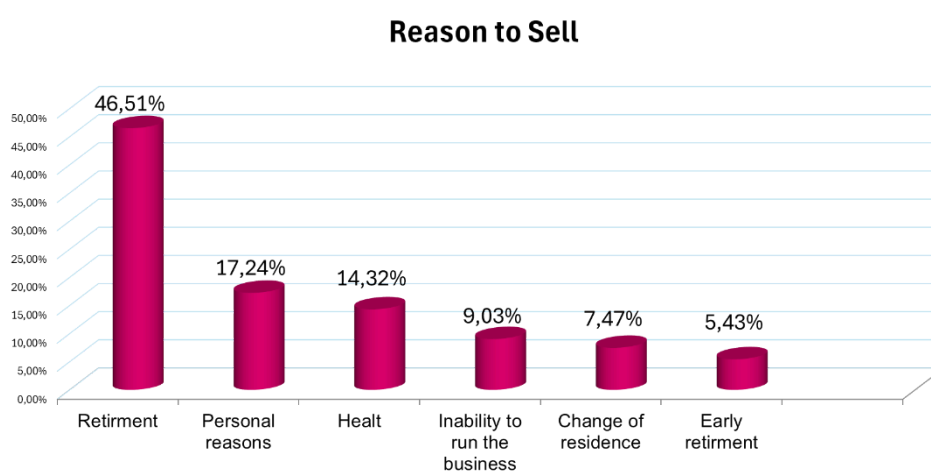
**4. Network:** Extensive international network spanning Europe and beyond.

Reempresa is a member of TransEO, an international network that connects organizations dedicated to facilitating business transfers. As part of this network, Reempresa collaborates with other industry leaders and shares best practices to promote the continuity of businesses and support entrepreneurship. TransEO

provides a platform for exchanging knowledge and resources. Together, these pillars provide a strong foundation that facilitates the smooth transition of businesses and promotes the sustainability of local economies.

Since 2011, Reempresa helped to transfer more than 4.700 companies, and this means that the total amount of investment generated has been more than 240M€ and that almost 13.000 jobs were saved. The average selling price is around 50.000€.

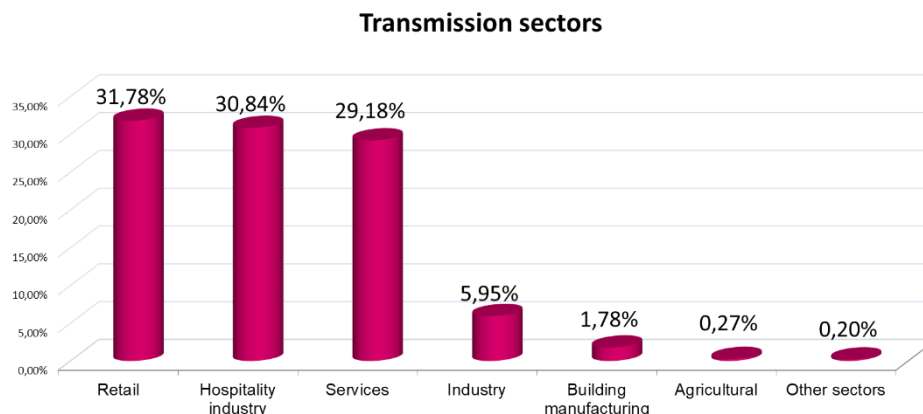
Since its inception, Reempresa has analysed and published in the marketplace more than 11.000 sellers, informed and prepared more than 20.000 potential buyers and trained more than 3.000 users. The reason to sell with the highest percentage is retirement, with 46,51%, followed by personal reasons with 17,24%.



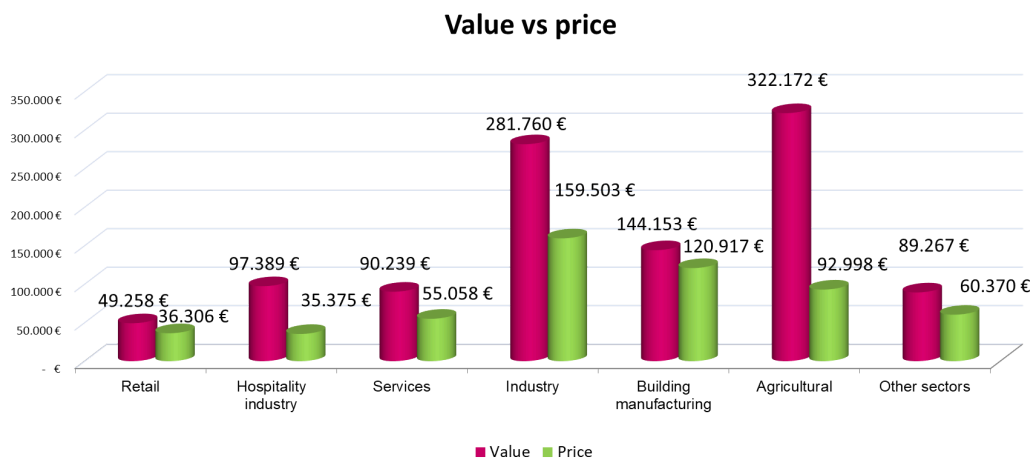
Unfortunately, due to health issues of the owner or a family member who requires their care have also been a significant factor.

The most representative sector is retail, followed very closely by the hospitality industry; the industrial sector is less prominent.

The preferred business activities among potential buyers from outside Spain are bars and coffee shops (21%), restaurants (12%), grocery stores (10%), and hair salons (5%).



Businesses are offered for sale ranging from 5.000€ to over one million. The average sale price is around 50.000€. Typically, the sale price is lower than the seller's original valuation.

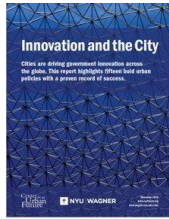


Reempresa has received several international recognitions for its outstanding contribution to business transfers and entrepreneurship. Among these, Reempresa was awarded the European Enterprise Promotion Award (EEPA) in 2017, which acknowledges exceptional efforts to promote entrepreneurship across Europe.

In 2016, Reempresa was ranked among the Top 15 World Innovative Policies by New York University, a recognition of its impactful and innovative business transfer model.

Furthermore, in 2019, Reempresa received an award at the Global Youth Entrepreneurship Summit for its support in fostering entrepreneurship and promoting business sustainability.

These awards highlight Reempresa's commitment to facilitating the continuity of businesses, supporting both entrepreneurs and business owners, and promoting sustainable economic growth. Its model has gained recognition from leading industry associations and international organizations, cementing Reempresa's reputation as a key player in the global business transfer sector.



**Top 15 World Innovative  
Policies - NY University  
2016**



**EEPA Winner European  
Commission 2017**



**Global Youth  
Entrepreneurship Sum  
mit 2019 Awards**

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## Conclusion

This initial exchange and discussion allowed the Pro-mote project partners and the experts involved to define fundamental concepts. Through the sharing of experiences and good practices from different countries, key concepts related to the inclusion and integration of migrants in the labour market were clarified and explored, with a particular emphasis on fostering entrepreneurial and employment opportunities. The discussion highlighted the common difficulties and challenges that different countries face in promoting migrant active integration in the labour market and entrepreneurship, such as access to funding, navigating legal requirements, and overcoming cultural and linguistic barriers.

Possible solutions to overcome these challenges were discussed and analysed, taking into account the specificities and peculiarities of the different national contexts. The common approach that emerged is based on a person-centred approach, where solutions must be focused on the needs and aspirations of migrants, recognising their individual skills and potential. This includes creating concrete opportunities for inclusion and integration through access to training, employment, and essential services.

Furthermore, the participants acknowledged the importance of fostering an inclusive environment where migrants feel valued and can actively contribute to society, both as employees and entrepreneurs. This involves promoting cross-cultural understanding, breaking down stereotypes, and valuing the diverse perspectives and experiences that migrants bring to the workforce and the entrepreneurial landscape.





**Project partners:**



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