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Promoting Entrepreneurship among Young People with Migrant Background, focusing on the Trade of Natural Products

Policy Brief Recommendations: Streamlining Legal and Administrative Processes for Inclusive Migrant Entrepreneurship (Policy Brief 4)

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Executive Summary

Migrant entrepreneurship significantly contributes to the economic vitality and cultural diversity of the European Union. Across Cyprus, Greece, Italy, Spain, and Turkey, migrant entrepreneurs introduce innovative business ideas, create jobs, and enhance local markets with unique products and services. Despite their potential, these entrepreneurs encounter numerous legal and administrative barriers that impede their business ventures. This policy brief synthesizes findings from these five countries, offering targeted recommendations to streamline these processes and foster an inclusive environment for migrant entrepreneurs.

The need for reforms is underscored by the substantial contributions of migrant entrepreneurs to the host economies. For instance, in Italy, migrants account for over 10% of the entrepreneurial population, according to the National Institute of Statistics (ISTAT, 2022). In Greece, migrant businesses significantly contribute to the retail and hospitality sectors, sectors crucial for the country's economic recovery (Hellenic Statistical Authority, 2020). Despite these contributions, bureaucratic hurdles, complex legal frameworks, and limited access to financial and informational resources pose significant challenges.

This brief presents a comprehensive approach to address these barriers, focusing on simplifying business registration, enhancing administrative efficiency, providing multilingual support, and increasing access to financial resources and mentorship programs. Implementing these recommendations will unlock the full potential of migrant entrepreneurship, driving economic growth, innovation, and social cohesion.





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Introduction

Migrant entrepreneurship is an essential driver of economic growth, innovation, and cultural diversity across the European Union (EU). The unique perspectives and entrepreneurial spirit of migrants contribute significantly to the dynamism of local economies, particularly in countries like Cyprus, Greece, Italy, Spain, and Turkey. These entrepreneurs introduce new business ideas, create jobs, and enrich local markets with a variety of products and services. However, despite their potential and contributions, migrant entrepreneurs face numerous legal and administrative barriers that impede their ability to establish and grow businesses effectively.



In Cyprus, Greece, Italy, Spain, and Turkey, the regulatory environments present substantial challenges to migrant entrepreneurs. These challenges include navigating complex legal frameworks, dealing with cumbersome bureaucratic procedures, and accessing essential information and support services. The intricate regulatory requirements for business registration, taxation, and permits often create significant obstacles for migrants who may not be familiar with the host country's legal system or language.

For instance, in Greece, migrant entrepreneurs must go through multiple steps to register their businesses, including obtaining a tax identification number and securing various permits, which can be particularly daunting for non-Greek speakers (OECD, 2020). Similarly, in Italy, although initiatives like the 'Startup Visa' program aim to support migrant entrepreneurs, language barriers and bureaucratic bottlenecks remain significant hurdles (ISTAT, 2022). In Turkey, the process is further complicated by fragmented coordination among relevant agencies and social barriers such as discrimination and lack of social networks (IOM, 2020).

The administrative inefficiencies in these countries exacerbate the difficulties faced by migrant entrepreneurs. Delays in acquiring necessary documentation and approvals can stall business activities, increase costs, and create uncertainty, making it challenging for migrants to plan and execute their business strategies effectively. Limited access to comprehensive and multilingual information further hinders their ability to navigate the legal and administrative landscape. Many migrants are unaware of the resources and support systems available to them, which can lead to confusion and frustration (European Migration Network, 2020).

Financial barriers also pose significant challenges. Migrant entrepreneurs often struggle to access financial resources due to a lack of credit history and familiarity with local banking systems. Traditional financing channels may be inaccessible, and there is a need for targeted financial support mechanisms such as microloans and grants to help overcome these obstacles (OECD, 2020). Additionally, social and cultural barriers,



including discrimination and lack of social networks, further hinder the integration of migrant entrepreneurs into the business ecosystem (IOM, 2020).

Despite these challenges, the contributions of migrant entrepreneurs to the host economies are undeniable. In Italy, for example, migrants account for over 10% of the entrepreneurial population (ISTAT, 2022). In Greece, migrant businesses play a crucial role in the retail and hospitality sectors, which are vital for the country's economic recovery (Hellenic Statistical Authority, 2020). The Spanish government's various initiatives to support migrant entrepreneurship highlight the potential for further inclusivity and economic growth through targeted reforms (Faster Capital, 2024).

This policy brief aims to provide a comprehensive analysis of the challenges faced by migrant entrepreneurs in Cyprus, Greece, Italy, Spain, and Turkey. It offers evidence-based policy recommendations to streamline legal and administrative processes, enhance access to information and support, increase financial assistance, and promote social and cultural inclusion. By implementing these recommendations, these countries can create a more inclusive and dynamic entrepreneurial ecosystem, unlocking the full potential of migrant entrepreneurs and driving sustainable economic growth and social cohesion.

Background

Cyprus

In Cyprus, migrant entrepreneurship faces significant regulatory challenges. Policies restricting immigration, visas, and employment rights curtail opportunities for self-employment. Geographical factors, such as the concentration of refugees in camps, impact their socioeconomic integration and ability to establish stable livelihoods. High-skilled entrepreneurial refugees often struggle with stringent regulatory obligations and limited access to legal support, hampering their economic integration (UNCTAD, 2018).

Greece

In Greece, migrant entrepreneurs encounter complex legal frameworks involving multiple steps for business registration and obtaining necessary permits (OECD, 2020). Administrative inefficiencies and limited access to comprehensive information further complicate the entrepreneurial journey. Many migrants lack awareness of available resources and support systems, leading to confusion and frustration (European Migration Network, 2020). Despite these challenges, migrant entrepreneurs significantly contribute to the economy, particularly in retail, hospitality, and manufacturing sectors (Hellenic Statistical Authority, 2020).

Italy



Italy has made efforts to support migrant entrepreneurship through initiatives like the 'Startup Visa' program. However, language barriers and bureaucratic bottlenecks remain significant obstacles. Migrant entrepreneurs in Italy face complex regulatory requirements similar to those for Italian citizens, but with additional challenges related to residency permits and work visas. Despite these hurdles, the number of businesses started by immigrants in Italy has steadily increased, indicating a need for improved support services and streamlined administrative processes (ISTAT, 2022). Successful examples from other countries, such as Canada's Start-up Visa Program and Australia's Business Innovation and Investment Program, highlight potential pathways for improvement.



Spain

Spain recognizes the need for targeted support for migrant entrepreneurs, particularly in sectors like natural products. Migrant entrepreneurs face barriers related to accessing financial resources and navigating regulatory frameworks. The Spanish government has implemented various initiatives to support migrant entrepreneurship, but further efforts are needed to enhance the inclusivity of these programs (Faster Capital, 2024).

Turkey

Migrant entrepreneurship in Turkey is vital to the economy but is hindered by complex business registration procedures, limited access to information, and fragmented coordination among relevant agencies. Social and cultural barriers, such as discrimination and lack of social networks, further exacerbate the challenges faced by migrant entrepreneurs (IOM, 2020). Despite these barriers, migrant entrepreneurs play a crucial role in driving innovation and economic growth in Turkey (Kloosterman, 2010).



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Analysis of the Issue

Legal Frameworks

Migrant entrepreneurs often struggle with complex legal frameworks that involve multiple steps and regulatory requirements. These frameworks can be particularly challenging for non-native speakers and those unfamiliar with the host country's legal system. For example, in Greece, business registration involves obtaining a tax identification number, registering with the General Commercial Registry (GEMI), and securing various permits and licenses (OECD, 2020).

Administrative Procedures

Administrative inefficiencies and bureaucratic red tape further complicate the entrepreneurial journey for migrants. In Turkey, for instance, the process of business registration is often lengthy and cumbersome, with bureaucratic hurdles and regulatory ambiguities posing significant barriers to entry (IOM, 2020). These delays not only increase the costs associated with starting a business but also create uncertainty, making it difficult for migrant entrepreneurs to plan and execute their business strategies effectively (World Bank, 2020).

Access to Information

Limited access to clear and comprehensive information exacerbates the challenges faced by migrant entrepreneurs. In Spain, many migrants are unaware of the available resources and support systems, preventing them from fully understanding their rights and obligations (European Migration Network, 2020). This information gap can significantly hinder the ability of migrant entrepreneurs to successfully establish and grow their businesses.

Financial Barriers

Migrant entrepreneurs often face difficulties accessing financial resources due to lack of credit history and familiarity with banking systems. In Italy, traditional financing channels are often inaccessible to migrants, who may lack the necessary credit history or collateral (ISTAT, 2022). Targeted financial support mechanisms, such as microloans and grants, are essential to overcome these obstacles (OECD, 2020).

Social and Cultural Barriers

Social and cultural barriers, including discrimination and lack of social networks, hinder the integration of migrant entrepreneurs into the business ecosystem. In Turkey, for example, social and cultural barriers exacerbate the challenges faced by migrant entrepreneurs, limiting their access to opportunities, funding, and mentorship (IOM, 2020).



Policy Recommendation

- **Simplify Business Registration Processes**
 - Implement one-stop-shops for business registration that consolidate all necessary procedures into a single digital platform, offering multilingual support and user-friendly interfaces (European Commission, 2020).
 - Develop standardized forms and clear guidelines to reduce complexity and minimize errors and delays.
- **Streamline Administrative Procedures**
 - Reduce bureaucratic red tape by standardizing administrative requirements and enabling digital submission and processing of documents to minimize in-person visits (World Bank, 2020).
 - Establish feedback mechanisms for continuous improvement and optimization of administrative procedures.
- **Enhance Access to Information and Support**
 - Develop comprehensive multilingual resources and support centers offering guidance on legal and administrative procedures, mentorship programs, and business consultancy services (European Migration Network, 2020).
 - Create online portals providing detailed resource guides in various languages.
- **Increase Financial Support**
 - Introduce grants, microloans, and tax incentives specifically targeted at migrant-led startups. Collaborate with financial institutions to develop tailored financial products for migrant entrepreneurs (OECD, 2020).
 - Partner with community organizations and NGOs to deliver financial literacy training and mentorship programs.
- **Foster Social and Cultural Inclusion**
 - Implement training programs on legal and administrative compliance, digital literacy, and business management. Partner with NGOs, local businesses, and educational institutions to deliver these programs (KPMG, 2020).
 - Promote diversity and inclusion initiatives within government agencies and foster partnerships with migrant community organizations to co-design and implement support programs (IOM, 2020).
- **Policy Coordination and Implementation**
 - Establish a dedicated task force to oversee the implementation of these recommendations, comprising representatives from government agencies, migrant communities, business organizations, and NGOs.





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- Monitor and evaluate the impact of policies on migrant entrepreneurship outcomes, and solicit feedback from migrant entrepreneurs and stakeholders to identify areas for improvement.





Conclusion

Streamlining legal and administrative processes is crucial for fostering inclusive migrant entrepreneurship across the EU. By simplifying procedures, enhancing access to information, providing financial support, and addressing social and cultural barriers, the EU can unlock the full potential of migrant entrepreneurs, driving economic growth and social cohesion. Implementing these policy recommendations will create a more inclusive and dynamic entrepreneurial ecosystem, benefiting both migrants and the broader economy.





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