

CLIP: Cities for Local Integration Policies
Module 4

Ethnic Entrepreneurship

Lisbon, Portugal

Sonia Pires
August 2010

Foreword

This report is part of the Eurofound project «Cities for Local Integration Policy» (CLIP), which started in 2006. Lisbon is one of the 35 European cities that cooperate in exchanging information on their Integration Policies, to start with in the field of housing and in the future in other areas.

The project aims to collect and analyse innovative policies and implement them successfully at the local level. It supports the exchange of experience between cities and encourages a learning process within the city network, addressing the role of social partners, NGOs, companies and voluntary associations in supporting successful integration policies. It provides objective assessment of current practice and initiatives and discusses their transferability, communicating good practices to other cities in Europe and developing guidelines to help cities to cope more effectively with the challenge of integrating migrants. CLIP also supports the further development of a European integration policy by communicating the experiences and outputs of the network to European organisations of cities and local regional authorities, the European and national organisations of social partners, the Council of Europe, and the various institutions of the European Union.

The CLIP network also means cooperation between cities and research institutes. Six research institutes in Bamberg, Amsterdam, Vienna, Turin, Wroclaw and Swansea are in charge of CLIP publications. The researchers of FIERI are responsible for this report on Lisbon.

I would like to thank all the interviewees and the participants I met during the field visit. I am particularly grateful to Ana Fortes and Marisa Mateus, of the Studies and Planning Division of the Social Affairs Department of the Municipality of Lisbon, for their support in collecting materials and information. The author is completely responsible for the content of this report and for any mistakes it may contain.

Sonia Pires

1 – Introduction

This report provides information on ethnic entrepreneurship in the city of Lisbon, Portugal, which is the topic at the centre of the fourth module of the CLIP project.

We will start in section 2 by illustrating the evolution of the immigrant population in Portugal. Lisbon concentrates the majority of the foreign population, and the national context mirrors the situation of Lisbon itself. Moreover, reports on the economic context, immigration and foreigner entrepreneurship consider also the Metropolitan Area of Lisbon -MAL- that comprises several cities where immigrants, national enterprises and foreigner enterprises are also present. The MAL has a fundamental role in the national urban economy. MAL occupies some 3% of total territory and, in 2004, had 2,8 millions inhabitants (26.2% of total national population). MAL has 18 municipalities and concentrates some 35% of the Gross Domestic Product¹.

In this report, we will consider both data that refer specifically to the city and to Metropolitan Area of Lisbon.

We will proceed in section 3 with the description of the urban economy of the city, the MAL and the national context. Since in the Lisbon and MAL area are concentrated a high share of enterprises operating in Portugal, we have resorted to national level data since these mirror, to a great extent, the Lisbon context. We will rely on several sources such as the INE (Instituto Nacional de Estatísticas), the SEF (Serviço de Estrangeiros e Fronteiras) and the MTSS (Ministério do Trabalho e da Segurança Social – Work and Social Security Ministry) and the Ministério da Economia (Economic Affairs Ministry).

In section 4 an analysis of immigrant entrepreneurship in Lisbon area is presented. For this part of the report, we rely primarily on the interviews carried out with immigrant entrepreneurs, independent and public institutions, on INE data and the study of Oliveira (2008) that gives an extensive and deep panorama of the situation for the last years.

Finally, in section 5, we will describe and analyse the rules and policies that regulate the creation of enterprises in general and those of immigrants where pertinent. We will rely on interviews and on several websites that provide such information.

2 – Background information of the city

In this section, we provide data that shows the evolution of foreign population throughout the years, the main nationalities, the distribution of foreigners by gender and age groups, educational level by nationality, the educational level by the school system structure and by gender, and the distribution of foreigners by sector of activity. We rely on three different sources: SEF, INE and MTSS. The data of INE are for 2001, which was the last national population census. The data of SEF are more recent (until 2008) and consider the stocks of foreigners with residence permits and the foreigners awaiting the renewal of the long-stay permanent permits. Finally, data from the MTSS, extracted from the report of Peixoto (2008), allow a detailed analysis of immigrant labour insertion and their work status. We also add that some data have a national scope but, as Lisbon and its Metropolitan

¹ Data are from the annual report on Lisbon region from the INE, 2009.

Area concentrates the large majority of immigrants, we state that such national data mirrors the city's immigration aspects.

Table 1 gives an overview of the foreign population with a residence permit in Portugal between 1980 and 2008. In 1980, there were only 50,750 foreigners in Portugal. In 2001, we have 350,898, which means an increase of 591%. 2001 and 2002 registered the highest rates of growth due to decree-law n. 4/2001 of 10th January, which regulated the entry, permanence and leaving conditions in the national territory. This law allowed the regularisation of immigrants, which led to the arrival of many foreigners from Eastern European countries. After 2002, the growth of foreigners in Portugal started to decline with a negative growth between 2004 and 2005. According to our interviews, this may be explained by the lack of economic opportunities in the labour market and the emigration of some migrants to other European Union countries. This is particularly evident in the case of Ukrainians that have left Portugal to return home or to emigrate to other countries. Finally, in the last years, the growth has been between 3.7% and 1.04%.

Table 1 – Evolution of the foreign population in Portugal, 1980-2008

Year	Total	Growth %
1980	50,750	-
1981	54,414	7.21
1982	58,674	7.82
1983	67,484	15.01
1984	73,365	8.71
1985	76,594	8.49
1986	86,982	9.28
1987	89,778	3.21
1988	94,694	5.47
1989	101,011	6.67
1990	107,767	6.68
1991	113,978	5.76
1992	123,612	8.45
1993	136,932	10.77
1994	157,073	14.70
1995	168,316	7.15
1996	172,912	2.73
1997	175,263	1.35
1998	178,137	1.63
1999	191,143	7.30
2000	207,607	8.61
2001	350,898	69.02
2002	413,487	17.84
2003	433,650	4.87
2004	447,155	3.11
2005	414,659	-7.27
2006	420,189	1.33
2007	435,736	3.70
2008	440,277	1.04

SEF –Serviço de Estrangeiros e Fronteiras, 2008

Table 2 provides information over the ten main nationalities for 1986, 1996, 2006 and 2008. We can outline that the composition of nationalities has changed considerably in the considered years. In 1986, there were mainly foreigners from Europe (Spain, Germany, France, United Kingdom), USA and Canada. However, the highest rate of foreign population was scored by Cape Verde and Brazil. Those two countries dominate the panorama still nowadays, as the subsequent analysis shows. Cape Verde and Brazil were already the main nationalities ten years later, in 1996, followed by immigrants originating from the ex-colonies African countries, the so-called PALOP². In 2006, another change in the range of nationalities can be pointed out. The first immigrant communities were Brazilians, Cape Verdians and Ukranians. The novelty was represented by the presence of Eastern Europeans citizens, especially from Ukraine and Moldova. PALOP's countries continued to be among the ten major nationalities, while as far as Western and European countries are concerned, Canada and France fall apart. Finally, in 2008, we can observe the presence of Eastern European countries among the major groups, namely, Ukraine, Romania and Moldova. PALOP continue to be present, however the supremacy goes to Brazil. A new group is represented by Chinese immigrants, who have increased substantially. Western and EU countries are not present anymore, with the exception of United Kingdom.

² Países Africanos de Língua Oficial Portuguesa (African Countries of Portuguese Official Language).

Table 2 – Ten main foreign nationalities in Portugal in 1986, 1996, 2006 and 2008

1986			1996			2006			2008		
Nationality	N.	%	Nationality	N.	%	Nationality	N.	%	Nationality	N.	%
Cape Verde	26,301	30.2	Cape Verde	39,600	22.9	Brazil	71,425	16.8	Brazil	107,253	24.2
Brazil	7,470	8.6	Brazil	20,000	11.6	Cape Verde	68,133	16.0	Ukraine	52,553	11.7
Spain	6,958	8.0	Angola	16,300	9.4	Ukraine	39,086	9.2	Cape Verde	51,839	11.7
United States	6,326	7.3	Guinea-Bissau	12,600	7.3	Angola	33,567	7.9	Angola	27,828	6.3
United Kingdom	5,872	6.8	United Kingdom	12,000	6.9	Guinea-Bissau	25,247	5.9	Romenia	27,410	6.2
Venezuela	4,756	5.5	Spain	9,300	5.4	United Kingdom	19,592	4.6	Guinea-Bissau	25,062	5.6
Angola	3,966	4.6	United States	8,500	4.9	Spain	16,597	3.9	Moldova	21,147	4.8
Germany	3,573	4.1	Germany	7,900	4.6	Moldova	14,246	3.3	United Kingdom	15,371	3.5
France	2,574	3.0	France	5,100	2.9	Germany	13,851	3.3	China	13,384	3.0
Canada	2,559	2.9	Mozambique	4,400	2.5	S. Tomé and Principe	11,273	2.6	S. Tomé and Principe	11,981	2.7
Total	86,982		Total	17,900		Total	426,122		Total	443,102	

SEF, Serviço de Estrangeiros e Fronteiras, 2008

Table 3 shows the distribution of foreign population by gender and age. The first aspect we can retain is that the age 20-39 has the higher share of foreigners. This fact is not surprising if we consider that foreigners are mostly young. The ratio is relatively similar for men and women. Indeed, 47.2% of men are between 20 and 39 years old and 50.1% of women are between 20 and 39 years old. Young people, between 0 and 19 years old, are only 17.4% of the total foreign population, followed by the age group 40-64, with 30.6% of total foreign population. Finally, elderly people are few among foreigners, with only 3,4% of total foreign population.

Table 3 – Total foreign population by age groups and gender in Portugal, 2008

Gender	Total	%	Age groups							
			0-19	%	20-39	%	40-64	%	65 and more	%
Total	440,277	100.0	76,809	17.4	213,774	48.5	134,565	30.6	15,129	3.4
Men	230,566	52.4	39,545	17.2	108,873	47.2	74,689	32.4	7,459	3.2
Women	209,711	47.6	37,264	17.8	104,901	50.1	59,876	28.5	7,670	3.7

SEF, Serviço de Estrangeiros e Fronteiras, 2008

Data on the educational level of foreign population refer to the 2001 national census of the Portuguese population. Data are at the national level³, but as in Lisbon is concentrated the great majority of the foreign population present in Portugal, those data can be considered as mirroring the Lisbon case. This being so, we can see interesting differences. Cape Verdians foreigners represent the highest share of those with very low levels of education. Indeed, 80% of the Cape Verde population has a very low level of education. This foreign group is followed by other PALOP countries with 46.9% having a very low level of education. Brazil is in the third position with 30.8% of Brazilians displaying a very low level of education. Eastern European countries and EU-15 have 22.9% and 23% of very low levels of education respectively. An interesting aspect is the share of very low levels of education among native-born persons, with 60.1% of total population in this category. Illiteracy is an important indicator of the educational level. Cape Verde has the highest share, with 14.8% of the population being illiterate. Brazil and EU-15 countries have a lesser share, with 0.7% and 0.6% respectively. A low level of education is also present in all nationalities, with the highest share for Other PALOP and 11.6% share for Cape Verde. Medium educational level is relatively equally distributed among the different groups except for Cape Verdians, with a ratio of 6.4% of total Cape Verde population. Finally, high educational level is higher for Brazil, Eastern European countries and EU-15 countries. Cape Verde and other PALOP have low shares with 2,1% and 6,8% respectively. It is interesting to point out that high level education is particularly low among the native-born population, with only the 11%. In conclusion, Cape Verdian and native-born population are similar as regards educational levels. Eastern European countries and EU-15 countries have better educational standards.

³ Data for the city level has to be requested directly to the INE. We asked for city level data by email but they did not reply.

Table 4 – Educational level by main nationalities in Portugal, 2001

Country of Birth	Very Low	Of which illiterate	Low	Medium	High
Cape Verde	80	14.8	11.6	6.4	2.1
Other PALOP	46.9	4.4	25.3	21.1	6.8
Brazil	30.8	0.7	18.6	30.1	20.6
Eastern European Countries	22.9	2.2	17.4	30.5	29.2
EU - 15	23.0	0.6	14.8	28.2	34.1
Native-born	60.1	2.3	14.5	14.5	11.0

Census, Instituto Nacional de Estatísticas, INE, 2001

Census, INE, 2001

Table 5 shows the distribution of employed foreigners and total population by activity's sector.

Foreigners are essentially distributed across seven main activity's sectors:

- manufacturing industry (14.2%)
- construction (23.9%)
- wholesale and retail trade, motor repairs (11.1%)
- accommodation and restaurants (14.8%)
- transportation (3.5%)
- estate agencies, services to firms (22.3%)
- health and social work (2.8%).

This distribution among activity's sectors, is not surprising if we consider that foreigners, with the exception of EU-15 countries, Canada and USA, are mainly blue-collar workers for men and cleaners and care-givers for women (Fonseca, 2006: 20) .

Table 5 – Total employed population and foreign population by sector of activity in Portugal, 2004

Sector of Activity	Foreigners		Total		% Foreigner/total
	Number	%	Number	%	
Agriculture	3.535	2,6	43.566	1,7	8
Fishing	156	0,1	4.082	0,2	3,8
Extractive industries	567	0,4	12.216	0,5	4,6
Manufacturing industry	19.656	14,2	723.449	28,1	3
Electricity, Water and Gas	116	0,1	11.508	0,4	1
Construction	32.990	23,9	312.762	12,2	11
Whole sale and retail trade, motor repairation	15.363	11,1	500.042	19,4	12
Accommodation and Restaurants	20.430	14,8	169.744	6,6	3
Transportation, Connections	4.803	3,5	141.566	5,5	1
Financial activities	609	0,4	78.366	3	10
Estate, services to firms	30.876	22,3	304.551	11,8	1
Public administration	140	0,1	13.404	0,5	3
Education	1.185	0,9	44.469	1,7	3
Health and social work	3.880	2,8	129.283	5	5
Other activities of collective, social and personal services	3.940	2,8	84.674	3,3	17
International Organisations	6	0	36	0	0
Total	138.252	100	2.573.718	100	5

MTSS, DGEEP, 2004, In Peixoto, 2008

3 – Brief overview of the urban economy

This section is based on INE reports (2008). Very few studies have been found that consider specifically the Lisbon and MAL urban economy.

3.1 Historical development of the urban economy

According to our sources (INE, 2008), the MAL presents specificities that influence the development of the Lisbon urban economy. These characterising features are, among others, the industrial relocalization, the devolution of economic activities and a process of coast-sea tourism.

The changes in the urban economy are mirrored by the changes in the active population. In the last three decades, we witnessed a change from primary and secondary sectors of activity to a development of tertiary sector, namely of trades and services (op.cit.). However, the secondary sector, namely industries, is still present in the South of the MAL. The primary sector is mostly concentrated in the North of the MAL and employs only 1,2% of the total active population. For Ferrao (2008), the urban economy of Lisbon can be considered a post-modern economy, in the sense that the urban economy of the city is mostly dedicated to services. According to the INE reports (2008 and 2009), the MAL has the greater concentration of firms in the country. In 1991, there were some 70,716 firms in the MAL, that is, around 40% of total firms of the country. In 1998, there were almost 100,000 firms, employing almost 1 million people. Throughout the years, firms characteristics changed. Indeed, the firms have becoming more numerous and smaller in their size. In 1991, every 10 firms in the MAL, two were of small dimensions (less than 10 workers), four of intermediary dimensions (10 to 499 workers) and four of large dimension (500 or more workers). The stock of enterprises in the MAL area has increased. In 1990, there were some 55,000 enterprises. In 1997, there were 75,000, which meant an increase of 5,2% per year. The annual rate of new enterprises was of 15%, while the annual ‘mortality’ rate of enterprises was of 10%.

Another important aspect in the historical development of the Lisbon and MAL urban economy is the increase of investments and workforce employed in activities linked to IT sector (INE, 2008).

3.2 Main industries and services

According to INE report (2008), the main industries and services, consistently with the distribution of workforce by sectors of activity, are services to firms, retail trade, whole sale trade, accommodation, restaurants and construction. In these activities are concentrated the 60% of employment in the MAL area. In the city of Lisbon, the share of services is more evident (84%). Besides the activities of the MAL, there are also air transport, telecommunications, banks and insurance (op.cit.).

3.3 Size of workforce

Table 6 shows the distribution of employed people in the three main sectors of activity, that is, primary, secondary and tertiary sectors.

Data for the MAL and for the city of Lisbon do not differ much. First of all, in the total employed population, we see that there are more men than women both in the MAL area and Lisbon city, with 56,2% and 52,2% respectively.

The primary sector has very few employed over the total employed population, with only 0.2% in the MAL area and 0.1% in Lisbon. The 19.3% of the total employed population of the MAL area and the 9.4% of Lisbon is employed in the secondary sectors. As is clear, secondary sector establishments are located mainly outside Lisbon. This applies also to the share of men and women employed in the secondary sector. There are more men and women working in this sector in the MAL area than in Lisbon. In fact, 26.4% of the total employed men work in secondary activities in the MAL area while they are only 13.5% for Lisbon. The share for women is even less, with 10.3% of total women working in this sector in the MAL area and 5% in Lisbon.

Finally, the tertiary sector employs the majority of employed people in Lisbon and the MAL area. As for the MAL area, the 80.5% of the employed population is working in this sector, while in Lisbon the ratio is even higher, the 90.4% of employed population. The distribution for men and women over the total population shows a difference between the MAL area and Lisbon. In fact, men employed in the tertiary sector over the total employed male population are 67% in the MAL area and 86,3% in Lisbon. The same applies for women. Indeed, there are more women employed in this sector in Lisbon than in the MAL area.

Table 6 – Distribution of the employed population in the MAL area and in Lisbon by sector of activity and gender, 2007

Activity's sector	Gender	MAL	%	Lisbon	%
Total	Total	570,954	100.0	285,253	100.0
	Men	320,746	56.2	148,905	52.2
	Women	250,208	43.8	136,348	47.8
Primary sector	Total	1,222	0.2	335	0.1
	Men	806	0.2	230	0.2
	Women	416	0.2	105	0.1
Secondary sector	Total	110,382	19.3	26,919	9.4
	Men	84,575	26.4	20,150	13.5
	Women	25,807	10.3	6,769	5.0
Tertiary sector	Total	459,350	80.5	257,999	90.4
	Men	235,365	67.0	128,525	86.3
	Women	223,985	89.5	129,474	95.0

INE, Anuário Estatístico Lisboa, 2008

3.4 Characteristics of workforce

An important indicator for this report is the occupational status of the employed population. Our data in table 9 refers to the MAL and for the year 2008. The 49.9% of the total employed

population are men and 50.1% are women. Of the total employed population, the 14.9% are self-employed. Among self-employed people, we see that men are the majority with 61.9% while women are only 38.1% of total self-employed people.

Table 7 – Employed population in MAL and rate of self-employed by gender, 2008

Occupational Status	Gender	Number in thousands	%
Employed	Total	1 130,1	100
	Men	563,9	49,9
	Women	566,2	50,1
Of which: Self-employed	Total	187,1	14,9
	Men	115,8	61,9
	Women	71,3	38,1

INE, anuario estatístico de Lisboa, 2008

Table 8 shows us the level of education of the active population in the MAL for 2008.

As pointed out in table 10, more than 50% of the active population in the Lisbon region has only the basic schooling, with some 20% with elementary school or no education. As for the gender distribution, data refer just to basic school levels, into which men are usually over represented.

Table 8 – Active population in MAL according to educational level and gender, 2008

		Number in thousands	%
Total	Total	1,446,4	100
	Men	744,4	51.5
	Women	702	48.5
Without education	Total	37,8	2.6
	Men	n.a.	-
	Women	n.a.	-
Elementary school	Total	257,3	17.8
	Men	137,9	53.6
	Women	119,4	46.4
2nd cycle of basic school	Total	204,9	14.2
	Men	123,6	60.3
	Women	81,3	39.7
3th cycle of basic school	Total	323,6	22.4
	Men	173,2	53.5
	Women	150,5	46.5
High school	Total	298,2	20.6
	Men	n.a.	-
	Women	n.a.	-
University	Total	324,4	22.4
	Men	n.a.	-
	Women	n.a.	-

INE, Anuario estatístico de Lisboa, 2008

Table 9 offers a panorama of the main occupations of the employed population in the Lisbon region in 2008. The first aspect to point out is that qualified occupations such as managerial staff, chiefs of enterprises, intellectual professions, intermediary technicians, administrative staff perform some

48.5% of the total employed population. Services staff and salers have also a significative share, with 16.3% of total employed population. Non-qualified workers, operators of machines and blue-collar workers perform 28.1% of total employed population. Finally, farmers and fishing have a minor percentage of 1.2%, similar to that of peopole employed in the army (1.1%).

Table 9 – Employed population in the MAL by occupation, 2008

	Total in thousands	%
Total	1,327,5	100.0
Managerial staff, Chiefs of enterprises	104,4	7.8
Intellectual professions	184,8	13.9
Intermediary Technicians	185,1	13.9
Administrative staff	171,9	12.9
Services staff and salers	215,8	16.3
Farmers, Fishing	15,7	1.2
Blue-collar workers	173,4	13.1
Operators of machines	68	0.5
Non-qualified workers	193,2	14.5
Army	15,3	1.1

INE, Anuario Estatístico de Lisboa, 2008

Table 10 shows that the unemployment rate in the MAL for 2008 was of 8.2%. For women, the rate is higher than the total unemployment rate, with 8.4%. Finally, th age group 15-24 years old have an unemployment rate of 20.9%.

Table 10 – Unemployment rate in the MAL, 2008

	Unemployment rate
Total	8.2
Women	8.4
15-24 years	20.9

INE, Anuario Estatístico de Lisboa, 2008

Table 11 shows the distribution of the foreign and total population in Portugal by work status in 2004. The main point is the high percentage of foreign population among the skilled, semi-skilled and unskilled workers (77.5% of the total foreign employed population). Compared with the total employed population, foreigners are more represented among the unskilled workers (30.8%). As expected, the share of total population in high skilled, team chef, medium staff and superior staff professionals is higher for Portuguese employed people than for foreign employed people.

Table 11 – Total employed population and foreign employed by type of job in Portugal, 2004

Professional status	Employed people with foreign nationality		Employed people total		% foreigner/total
	Number	%	Number	%	
Superior Staff -Managerial	3,771	2.7	152,644	5.9	3
Medium Staff	2,687	1.9	113,018	4.4	2
Team chef	1,602	1.2	96,610	3.8	2
High skilled professionals	3,075	2.2	165,692	6.4	2
Skilled workers	45,073	32.6	1,054,860	41.0	4

Semi-skilled workers	19,459	14.1	411,660	16.0	5
Unskilled workers	42,591	30.8	338,992	13.2	13
Apprentice	9,028	6.5	134,542	5.2	7
Unknown level	10,966	7.9	105,701	4.1	10
Total	138,252	100.0	2,573,719	100.0	5

MTSS/DGEEP 2004 (in: Peixoto 2008)

Table 12 illustrates the distribution of the employed foreign population by type of job contract for 2004. The 97% are salaried employees and the 2,9% are entrepreneurs. The share of entrepreneurs is higher for men (3,2%) than for women (2,3%).

Table 12 – Employed foreign population by profession's situation, Portugal, 2004

Profession's situation	Foreigners					
	Number	%	Men	%	Women	%
Entrepreneur	4,087	2.9	2,881	3.2	1,206	2.3
Non-salaried family's worker	64	0	37	0.0	27	0.1
Salaried employees	138,252	97.0	87,411	96.7	50,841	97.5
Cooperative activity	40	0.0	17	0.0	23	0.0
Non- defined situation	131	0.1	93	0.1	38	0.1
Total	142,574	100.0	90,439	100.0	52,135	100.0

MTSS DGEEP 2004 (in: Peixoto 2008)

Table 13 shows the contractual position of the main nationalities present in Portugal in 2004. EU-25 nationals have the higher percentage of entrepreneurs (14%), followed by Brazilians (1.7%), Cape Verdians and other PALOP countries (1.3%). The 7% of the foreign nationals included in the category “others” are entrepreneurs, however data do not provide more specifications on the nationalities included. Nevertheless, we can include Asian people. Finally, Eastern European countries have a low percentage of entrepreneurs, with 0.5% for other Eastern European countries and 0.2% for Ukrainian citizens.

Table 13 – Foreign employed population by contractual situation in Portugal, in 2004

Nationality	Total		Profession's situation					
	Number	%	Total			%		
			Entrepreneur	Employees	Other	Entrepreneur	Employees	Other
EU-25	11,576	8.1	1,606	9,915	55	14.0	86.0	1.0
Ukraine	28,252	19.8	43	28,157	52	0.2	99.7	0.2
Other Eastern European Countries	15,999	11.2	83	15,895	21	0.5	99.3	0.1
Cape Verde	13,846	9.7	180	13,658	8	1.3	98.6	0.1
Other PALOP	24,043	16.9	319	23,697	27	1.3	98.6	0.1
Brazil	28,237	19.8	491	27,712	34	1.7	98.1	0.1
Others	20,621	14.5	1,365	19,218	38	7.0	93.0	0.0
Total	142,574	100.0	4,087	138,252	235	3.0	97.0	0.0

MTSS DGEEP 2004 (in: Peixoto 2008)

3.5 Development of small and medium enterprises

In order to classify SME, two criteria are identified by the Portuguese legislation: the number of workers and the turnover as defined in Decree-Law n. 372/2007. This means that SME are those enterprises with less than 250 employees and whose annual turnover does not exceed 50 millions euros. Among those enterprises, micro-enterprises have less than 10 employees and a turnover of 2 millions euros per year. Small enterprises have less than 50 employees and a turnover of 10 millions euros per year (IAPMEI, 2007).

We present data for the national level but as Lisbon and its Metropolitan Area concentrate the major number of enterprises (op.cit.), we believe that such national data mirror the city level. SME in Portugal, represent some 99.6% of all companies, and account for the $\frac{3}{4}$ of workplaces. In the year 2007, there were some 297,000 SMEs, with some 2,1 million workplaces. Among SME, the micro and small enterprises represent 97.3% of enterprises and have some 1,5 million workers. Micro and small enterprises play an increasing relevant role in the Portuguese economy, with a positive evolution throughout the years. Between 2000 and 2005, the increase of new micro and small enterprises was of 7% per year while the increase of large enterprises was only of 1.1% per year. It means that some 17,100 enterprises were created each year with some 77,100 new workplaces per year (op.cit.). An important aspect is the constant reduction of the mean number of workers per enterprise. For instance, there were some 8 employees per enterprise in 2000 and 7 employees per enterprise in 2005.

Considering now the sectors of activity and relying on the IAPMEI report (2007), one interesting point is that most companies are active in the tertiary sector. Indeed, trade and services (including tourism) are dominant in the national economy.

SMEs are very important in the trade sector. At the national level, and for 2007, there were 299,115 enterprises over a total of 1,101,681 enterprises (some 31,7%) (op.cit.). It represents the sector with the highest share of enterprises and the highest share of people employed (some 871,289 employees over 3,831,034 employees at the national level). This is also the case for Lisbon. In general, trade enterprises are small or medium enterprises, with 96.3% as small enterprises, employing less than 10 people.

In the services sector, there were 56,000 enterprises in 2000, accounting for 22.4% of the workforce (520,000 workplaces) (op.cit.). Between 2000 and 2005, there was an increase of services enterprises of 10.1% per year. This increase of services in the Portuguese economy is concomitant with the decrease of the transforming industry. Another sector in expansion is construction, with an annual increase of 13.5% of new enterprises. In 2000, there were 10.2% of enterprises in this sector of activity while in 2005 there were 13.9% of enterprises in the sector.

The distribution of SME by sector is the following:

- 99.9% of enterprises in tourism are SME
- 99.6% of enterprises in services are SME
- 99.2% of enterprises in transforming industry are SME

- 99.7% of enterprises in extraction industry are SME
- 95.4% of enterprises in energy are SME
- 99.8% of enterprises in construction are SME
- 99.7% of enterprises in trade are SME (IAPMEI, 2007).

Considering now the geographical distribution of those enterprises, there is a substantial concentration in two regions: the North and Lisbon (some 2/3 of enterprises). However, there has been a process of diffusion of enterprises throughout the Portuguese territory (op.cit.).

Table 14 provides the main enterprises indicators for the MAL area and Lisbon in 2008. The density of enterprises is higher in the MAL area than in Lisbon. Moreover, enterprises are mostly individual firms, that is, sole ownership. The number of employed persons is rather low, with 95.9% of enterprises with less than 10 persons employed. The mean number of workers per enterprise is of 4 persons for Lisbon and 4,4 for the MAL area. Finally, we can see that the turnover is higher in MAL than in Lisbon.

Table 14 – Enterprises indicators, MAL and Lisbon, 2008

	MAL	Lisbon
Density of enterprises No./km ²	190.3	114.7
Proportion of individual enterprises %	63.0	65.28
Proportion of enterprises with less than 250 employed %	99.8	99.9
Proportion of enterprises with less than 10 persons employed %	95.6	95.9
Persons employed per enterprise N.o	4.4	4.0
Turnover per enterprise Thousands euros	572,2	496,6

INE, Anuario estatístico de Lisboa, 2008

3.6 Sectoral and spatial distribution of SME's

According to the IAPMEI report (2007), the spatial distribution of small and medium sized enterprises reveals a plethora of nodes of distribution and spatial specializations. There is a concentration of financial activities, estate and services to enterprises in Lisbon and in a lesser degree in Oeiras. The highest share of manufacturing is in the North, in South Tejo and Palmela/Setubal. Extractive industry, construction, electricity, water and gas firms are in more rural zones, namely in Setubal and in some quarters in the West part of Lisbon. Firms in sectors such as accomodation, restaurants, trade and repair industry, are spatially dispersed in different cities of the MAL area. Finally, there exists a typical town dispersion of activities that need more space, such as transport, communication and storage. Indeed, those activities are located in the MAL area where there is geographical space in order to open big enterprises and to stock goods (op.cit.).

Firms of the tertiary sector are mostly concentrated in the centre of Lisbon (Baixa, Chiado) and the north of the city (Amoreiras, Marques de Pombal, Avenidas Novas): here we find 30% of the total of firms operating in the city. Moreover, there are also spatial concentrations outside the city of

Lisbon, namely Amadora, Carnaxide-Alfragide, Oeiras, that hosts the park of Science and Technology (Taguspark), and in the axis Lisbon-Sintra and Lisbon-Cascais (op.cit.).

3.7 Recent changes

As stated in section 3.1, the main change is the increase and development of high and medium type technology enterprises. In 2007, almost the 10% of the total investments directed towards non-financial companies were destined to high and medium technology enterprises (op.cit.). Our interviews refer the difficult situation for enterprises due to the crisis but they do not give details on the issue.

4 – Profile of ethnic entrepreneurship

This section relies on some studies made by Oliveira (2008a and 2008b) and on our interviews to immigrant entrepreneurs and institutional actors. This research's area has been extensively studied by the author and an in-depth analysis has been made with an extensive empirical research that we complement with our interviews.

4-1 Definition of ethnic entrepreneurship

In our interviews as well as in the studies by Oliveira (2008a and 2008b), the term more commonly used is immigrant entrepreneurship. Firstly, the so-called frame of lusotropicalism has influenced the immigration policies (Pires, 2010), according to which PALOP countries and Brazilian immigrants were privileged. In fact, until very recently, those immigrants had more facilities to obtain stay and residence permits and the Portuguese nationality (op.cit.). In parallel, immigrant entrepreneurship frame is more appropriate because it allows considering those with a Portuguese nationality and an experience of international migration (Oliveira, 2008a: 46). As outlined by Oliveira: “it is crucial to distinguish between notions of ‘immigrant’ and ‘foreign’, as they translate into different groups. The ‘immigrant’ is defined as an individual who, having born in a certain territory, migrated to another country where he or she ended up residing for at least one year. Therefore the movement of changing territory in itself does not reflect the nationality of an individual. A substantial proportion of immigrant entrepreneurs in Portugal has the Portuguese nationality. In contrast, the notion of ‘foreigner’ cannot be dissociated from that of nationality, meaning that any individual who has a different nationality to that of the country they reside in is a foreigner. As a consequence, not all foreigners are immigrants” (Oliveira, 2008b: 103).

4- 2 Development of ethnic entrepreneurship

Table 15 provides an overview of the active Portuguese and foreign population by professional situation in 1981, 1991 and 2001. According Oliveira research (2008b), the category of entrepreneurship includes two different professional situations: entrepreneurs with salaried employees and individual entrepreneurs with no employees. The first aspect to outline is the increase of the percentage of entrepreneurs with salaried employees among the foreign population, 5.1% in 1981, 7.7% in 1991 and 10.2% in 2001. What is striking is that the percentage of foreigners' in this category is higher than the Portuguese one for all years considered. However, this is not the case as individual entrepreneurs (with non employees). Indeed, the share of this second category is higher among Portuguese than foreigners. If we consider the percentual increase between 1981 and 2001, we see a substantial increase of 1.036% for foreigners as entrepreneurs with salaried employees and 188% for individual entrepreneurs.

The increase of the rates of immigrant entrepreneurs with employees and individual entrepreneurs has kept pace with the evolution of foreigners in Portugal. If we consider the active foreign population, there were 35,709 foreigners in 1981, 57,744 in 1991 and 210,647 in 2001.

Table 15 – Employers and self-employed Portuguese and foreign population, 1981-2001

Professional Situation		1981		1991		2001		Variation 2001/1981
		Number	%	Number	%	Number	%	
Employers	Portuguese	130,051	3.1	267,757	6.2	467,553	9.8	260
	Foreigner	1,811	5.1	4,438	7.7	20,571	10.2	1.036
Self-employed	Portuguese	632,354	15.2	567,789	13.1	290,318	6.1	-54
	Foreigner	3,188	8.9	6,561	11.4	9,173	4.5	188
Family workers	Portuguese	100,951	2.4	84,241	1.9	36,773	0.8	-64
	Foreigner	513	1.4	1,058	1.8	987	0.5	92
Total	Portuguese	4,147,339	100.0	0	100.0	4,788,561	100.0	16
	Foreigner	35,709	100.0	57,744	100.0	210,647	100.0	465

Censuses, INE, in Oliveira, 2008b

Table 16 outlines the distribution of immigrant entrepreneurship by nationality in 1981, 1991 and 2001 in Portugal. Immigrants from Europe have, in general terms, higher rates than Africans or Brazilian nationals. Among EU citizens, British citizens have the highest rates, that is, 16.2% in 1981, 19.5% in 1991 and 23% in 2001, followed by German and Spanish citizens. Rates for African immigrants in 2001 range from 6% for S.Tomé and Príncipe and 9.1% for Mozambique. In this category, can be included immigrants with an Indian ascendance since many of them came from Mozambique, with a Portuguese or Mozambican nationality. For the Asian case, we see another trend. In fact, there is a relatively high rate in 1981, 9.8%, which increased substantially in 1991 with 21.3%. However, in 2001, there is a decrease to 19.1%. This applies to the Indian and

Pakistani cases. Oliveira studies (op.cit) do not provide a clear explanation for such decrease. Chinese immigrants have a constant and substantial increase, from 22.2% in 1991 to 36% in 2001.

Table 16 - Entrepreneurship rates by nationality in Portugal, 1981-2001

Country of nationality	1981	1991	2001	Variation 2001/1981
Total Europe	12.0	13.3	9.9	2.9
Germany	16.1	13.8	17.7	3.7
Spain	15.0	18.4	11.6	0.2
France	7.0	5.4	10.2	9.9
United Kingdom	16.2	19.5	23.0	3.9
Ukraine	-	-	1.5	-
Total Africa	1.1	3.4	6.7	22.9
Angola	1.2	3.4	6.6	25.5
Cape Verde	0.7	3.0	6.4	17.3
Guinea-Bissau	1.9	2.9	6.2	107.2
Mozambique	3.0	5.9	9.1	8.0
S.Tomé and Príncipe	0.2	2.6	6.0	304.0
Total America	5.1	8.8	13.6	13.9
Brazil	4.8	9.5	13.5	20.7
USA	8.5	8.3	12.3	1.7
Venezuela	3.9	7.7	13.8	11.3
Total Asia	9.8	21.3	19.1	10.6
China	22.2	24.1	36.0	31.4
India	7.9	17.6	7.6	11.3
Pakistan	17.0	30.7	6.3	0.9
Oceania	1.8	9.4	14.2	20.0
Foreigners	5.1	7.7	10.2	10.4
Portuguese	3.1	6.2	9.8	2.6

Censuses, INE (in: Oliveira 2008b)

According to Oliveira research (2008b), immigrants acquired some professional experience in the host country before opening up their business. Concerning their legal status, most of them hold today a regular status or have the Portuguese nationality.

Concerning their age at the moment they started their business, and relying on Oliveira's report (2008a, 143), Indians start their business on average aged 25 while Cape Verdians start around 30 years old or Chinese at around 31 years old.

Most part of immigrant entrepreneurs are male (Oliveira, 2008a, 144). If we look at the educational level, there are differences according to the nationalities. Cape Verdians are less qualified (with some 70% with only basic schooling), Indians have more qualifications including university degrees, and Chinese have mostly high school education.

4.3 Sectoral and spatial distribution of ethnic enterprises

Most immigrant entrepreneurs are located in the MAL area and operate in different sectors of activity. According to Oliveira (2008b) and to our interviews, the main sectors of activity are

construction, trade, hotels and restauration and some specific sectors such furniture for Indians or ethnic restauration for Chinese. Nonetheless, it was also stated in the interviews that foreigners and immigrants have been opening businesses in other activities such as laundries, hair dressers, or services to individuals like cleaning.

4. 4 Ownership of ethnic businesses

An important point referring to the firm's constitution and characteristics and relying in our interviews is that immigrant entrepreneurs have mainly very small or small firms. Their firms are generally one owner-type of legal status, that is, individual societies. It is also common to find co-family owners or associates. In her study of immigrant entrepreneurs in Lisbon and the MAL, Oliveira (2008a, 129) present the following distribution:

- 59.5% have no co-owners
- 34.4% have co-ethnic co-owners
- 4.4% have Portuguese co-owners
- 1.3% have Portuguese and co-ethnic co-owners.

Having a Portuguese co-owner may help in what regards bureaucracy procedures but the author does not provide an information in this aspect.

Considering the financial aspect and according to Oliveira study (2008a, 134), many immigrants entrepreneurs rely on family savings and co-ethnics' help to collect the necessary amount of money to start the business. Indians rely also on bank loans which are facilitated by the fact that some of them have the Portuguese nationality. Cape Verdians rely more on their personal savings than on family or co-ethnic help.

4. 5 Reasons for entrepreneurship career

Reasons for entrepreneurship career are various. According to interviews with immigrant entrepreneurs carried out in the field visit and Oliveira's research (2008a, 114), one reason is linked to labour market discrimination. Another reason is the wish to be independent, which is seen as a positive choice by the family or the immigrant group, since it marks a changing in the social status. Immigrants experience as salaried workers helps to open and develop a business. An interesting point is the fact that in the choice of the sector of activity, immigrant entrepreneurs are often influenced by the family and the co-ethnic community. These latter address them towards those sectors into which there is already a specialisation of the co-ethnic community. This is particularly evident in the case of Chinese or Indians. Indeed, Chinesees are mostly present in ethnic restauration that is a specialisation of the co-ethnic community. Indians are mostly present in furniture sector that is also a special characteristic of Indian community. Finally, and according to our interviews⁴,

⁴ ANDC, Jesuit Service to Refugees.

entrepreneurship is also seen as the last resource. In fact, immigrants that are unemployed or employed in very precarious conditions rely on entrepreneurship because they have no other options.

4.6 Market

As for Oliveira's study (2008a, 116), immigrant entrepreneurs have an assimilationist type of market insertion. In general, they address their activities to all customers or to Portuguese as in the case of Chinese entrepreneurs. For Cape Verdians, the rate of co-ethnic customers (10.6%) is higher than in the other nationalities. Cape Verdian orientation towards co-ethnic customers is mainly explained by the presence of Cape Verdian entrepreneurs in the neighborhoods where there is a high presence of Cape Verdians.

4.7 Competition

According to immigrant entrepreneurs' interviews and Oliveira's study (Oliveira 2008a, 121), immigrant entrepreneurs have to compete with co-ethnics and Portuguese. Chinese entrepreneurs have mainly to compete with co-ethnics. In fact and in accordance with Oliveira research (op.cit.), 72,2% of Chinese entrepreneurs say they have to compete with co-ethnics. Cape Verdians or Indians have more Portuguese competitors. Indeed, 28,2% of Cape Verdian entrepreneurs refer that they have to compete with Portuguese, while 34,8% of Indian entrepreneurs refer the same. Competition is then dependent upon the type of activity. Cape Verdians entrepreneurs work mainly in construction and it is a work area where we find also many Portuguese.

4.8 Workforce

According to our interviews, immigrant entrepreneurs rely heavily on family members' help and work. Those family members are generally speaking unpaid, which allows us to state that there is a high degree of informality among the workforce.

As said in point 4.4, immigrant business are mainly very small or small enterprises. In Oliveira's research (2008a), we have the following distribution of immigrant firms by the number of workers for Cape Verdians, Indians and Chinese cases:

- 8.5% without workers
- 73.3% with 9 workers or less
- 16.1% with 10 to 49 workers
- 1% with 50 to 99 workers

- 1.1% with 100 or more workers

In her study, the nationalities that present more workers are Cape Verdians while Indians and Chinese have fewer workers.

The nationality of workers differs according to the immigrant entrepreneurs' origin. According to Oliveira (2008a), for instance, Chinese rely more often on co-ethnic workers (52.4%) while Indians rely more on non-co-ethnic workers (70.4%). The reasons for such choice are for the Chinese the language and cultural background. Indeed, they say it is easier to work with co-ethnics because they share the same cultural codes and the same language. Indians do not rely on co-ethnic workers for competition reasons. In fact, they say co-ethnic workers may learn the business and start their own independent activity as well.

4.9 – Employment conditions and labour relations

In her analysis of three distinct immigrant groups (Cape Verdians, Chinese and Indians), Oliveira (2008a, 97) found that informality of work contracts is widespread, even if with different rates according to the national group. For instance, Chinese have more workers declared to the Social Security System than Cape Verdians entrepreneurs. In fact, 70,9% of Chinese entrepreneurs that have been interviewed in the Oliveira research (op.cit.) say that their workers are declared to the Portuguese Social Security System. It has to be added that it is common to have family's workers and they are usually unpaid. In the construction sector, where we find many Cape Verdians, informality is high especially due to sub-contracting procedures.

As many immigrant entrepreneurs rely on family members as business's workers, we find a substantial proportion of unpaid workers. According to our interview to the workers union CGTP, the level of affiliation to workers unions among immigrants working for other immigrants is rather low. The leader of the CGTP explains such issue by the fact that in micro and small enterprises led by immigrants labour relations are promiscuous. Immigrant employees have a relation to the employer characterised by paternalism and dependence. In fact, many of those immigrant employees are family members or friends of the employer, which turns difficult any level of political contention in labour relations.

4.10 – Problems and barriers – general management

When asked about the main difficulties immigrants encounter to open and run their enterprises and according to Oliveira results (2008a, 82), almost half of immigrant entrepreneurs for the three origins considered, i.e. Cape Verde, China and India, state having encountered no problems. The other half of immigrant entrepreneurs find problems in the following areas: lack of costumers, difficulties to find an appropriate place to open the business, difficulties to acced to loans, racism

or/and discrimination, and bureaucratic issues. According to the CPPME institution's interview (Portuguese Confederation of Small and Medium Enterprises), Chinese have the particularity to rely on their embassy to develop trade activities, which is not the case of other immigrant nationalities. The interest of the Chinese Embassy in helping its co-nationals is not explained in our interviews but we can reasonably say that there is a pro-active policy from the country of origin to provide help to its emigrants abroad.

4.11 Problems and barriers – financial management

Financial management is an issue that our interviewees refer as problematic. They say they had to rely on experts the first years to understand the procedures and to present the financial data to the authorities to pay taxes, etc. Our interviewees⁵ also refer the lack of information immigrants have in order to find loans or other financial helps. Indeed, the main activities promoted by institutional actors to help the development of enterprises are not known by immigrants. Interviews also outlines that immigrants are not present in the information seminars and training in the area of financial management. As Oliveira stresses (2008a), immigrants rely mostly in individual, family or community financial help to open a business. In the case of the National Association to Loans Right, in 2009, only 15% of those that obtained a micro-loans were immigrants. The attribution of the loans is conditioned by the stay permit because banks ask for guarantees in the sense that banks ask the return of the loan in the subsequent years. If an immigrant has a stay permit for one year, it is then difficult to obtain a loan. Moreover, and relying on the ANDC interview, banks are diffident vis-à-vis immigrants because they wonder whether or not the immigrant is in Portugal for a short period of time and wants to move to another country. This applies in particular to the Brazilians that have a high level of mobility. Finally, and relying on interviews information, there are two main Portuguese national banks that are connected to the private and public entities that promote entrepreneurship, the Caixa Geral de Depositos and the Banco Espirito Santo. They are the nodes of a network of financial management and loans in Portugal.

4.12 Problems and barriers – Marketing

According to our interviews to immigrant entrepreneurs, and taking into account also Oliveira research (2008a), immigrant entrepreneurs do not make any kind of marketing. For instance, before creating the firm, immigrants, generally speaking, do not engage in market prospection. However, some nationalities such as Chinese conduct market research. Still relying on Oliveira work (op.cit.) Chinese conduct market research in the local area they want to open the business. They make

⁵ ANDC, IEFPP, Service Jesuit to Refugees, Arelis.

prospection in order to see how many restaurants there are and if a Chinese restaurant or business may have a potential in the neighborhood. Nonetheless, Oliveira's study does not explain why some immigrant groups make market research while others don't. Some institutions provide advice in marketing such as the National Association of Small and Medium Enterprises but immigrants do not rely on them. There is a clear lack of information among immigrant population as regards institutions' help and advantages.

According to our interviews with immigrant entrepreneurs, they advertise their businesses in their own social networks and in their immigrant newspapers when this is a business which client is a co-national. This is the case for businesses of Cape Verdians or Bangladeshis that provide goods that are used by co-nationals. Otherwise, they do not rely on advertising targeting the broad population but they rely on the strategic geographical position of the business. Indeed, immigrants try to open businesses in places where there is not the same type of business. This is the case for instance for laundry businesses of some Palop immigrants or immigrant restaurants.

4.13 Problems and barriers – rules and regulations

Following Oliveira (2008b), immigration laws in Portugal are crucial in order to identify rules and regulations in the access of immigrants to the entrepreneurial activity. As she explains, there is a relation between the successive immigration laws and the rates of immigrant entrepreneurship: “it is possible to identify three periods in the Portuguese legal framework that have impacted upon the evolution and changes in immigrant entrepreneurial initiatives: (I) the first period essentially covers the 1980s and 1990s, until 1998; (II) the second, from 1998 to 2007; and finally, (III) the third period from 2007 on” (Oliveira 2008b, 113).

Between 1981 and 1998, the Portuguese immigration law did not envisage any special status for foreign entrepreneurs. Immigrants had to have a residence permit to undertake a legal entrepreneurial activity, as those immigrants who were employed as salaried workers. Following Oliveira (2008b, 114): “the regulation of the employment of foreigners on the Portuguese territory, which was in force until 1998 (Decree-Law n. 97/77 of 17 March 1977), declared that ‘national or foreign entrepreneurs who operate on the Portuguese territory can hire foreigners as workers, only if the staff of the company – provided that this counts more than five people – is composed for the 90% of Portuguese workers’”. This rule applies also in case of unpaid foreign workers.

At the end of the 1990s, a new immigration law (Decree-Law n. 244/98 of 8 August) and the new Labour Law (Law n. 20/98 of 12th May) changed the context for immigrant entrepreneurship. In this law – and following revisions in 2001 (Decree-Law n. 4/2001 of 10 January) and in 2003 (Decree-Law n. 34/2003 of 25th February) – two distinct legal statuses were introduced: the residence permit and the type III work visa. The type III work visa was created to contemplate independent activities in the area of service provision. However, there were some conditions to fulfil, i.e.: “the

presentation of a document proving the registration of an investment operation in Portugal and a document proving that the immigrant was qualified to exercise it. (...)” (op.c.it, 115). For those immigrants with another type of work visa, it was necessary to wait three years to convert the visa into a residence permit or leave the country to request the type III visa. For anyone with a temporary stay permit, he/she had to wait five years before converting it into a residence permit and then creating his/her enterprise.

As for the labour law (law n. 20/98 of 12th May), the requirement to have at least the 90% of Portuguese workers for firms with more than five workers was cancelled.

From 2007 on, there were substantial changes in the immigration law and in integration policy as well. The new immigration law (Law 23/2007 of 4th July) reformed the admission rules and access to visas so to make procedures more easy. An immigrant can request a temporary residence permit of one year’s validity. This can be renewed for successive periods of two years and converted into a permanent residence permit after five years’ residence. This also allowed accessing more easily to the Portuguese nationality. As Oliveira notes (2008a, 119), Portuguese nationality is an important resource to start a business, especially as regards bureaucratic procedures. The new law created for the first time the status of independent workers and immigrant entrepreneurs. There are obviously requirements for each of these two categories. An independent immigrant worker should have a contract for service provision in the area of liberal professions and his/her qualifications have to be recognised in Portugal. For immigrant entrepreneurs, a proof of investment operations in Portugal or a proof of financial means in Portugal are needed.

We turn our attention now to integration policies. The Plan for Immigrant Integration – resolution of Council of Ministers n. 63-A/2007 – explicitly mentioned immigrant entrepreneurship and introduced some measures to facilitate the intergration in this segment of the labour market. This is the case of the Support Office for Entrepreneurship, established at the National Immigration Support Centre in Lisbon. The office provides information and orientation. It has several programs and initiatives to promote entrepreneurship among immigrants. For the year 2010, there is the program of training local technicians of local public and private entities in order to give them instruments to orient immigrants towards entrepreneurship. The Support Office for Entrepreneurship has also developed the project ABACO from the European Union that deals with the lack of financial education among immigrant adults and immigrant young people. There is also a program to develop women entrepreneurship with specific training and a prize for the best idea⁶.

As it was described, until 2007, immigrants had to comply with rules concerning stay permits that were difficult to overcome. As explained by the immigrant entrepreneurs we interviewed, it was hard to open a business due to stay permits rules until 2007. Immigrant entrepreneurs also refered that after 2007, the bureaucratic process was easier and less demanding because the process and requirements to obtain a stay permit were easier as well. We can reasonably state that the political

⁶ See <http://www.facebook.com/empreendedorismoimigrante>

opportunity structures of the host country have been open to immigrants needs in entrepreneurship area.

4.14 Problems and barriers – bureaucracy and intermediary institutions

Problems and barriers related to bureaucracy, such as stay permits, business creation or taxes, and intermediary institutions are very often the object of immigrants' complaints. In fact, still relying on Oliveira's empirical evidence (2008a, 82), immigrants found problems at this level. The interviews made to immigrant entrepreneurs reveal that the barriers found at this level are due to a lack of national legislation's knowledge and a difficulty to interpret the law for language reasons. They also complain for the number of taxes to pay and the difficult access to institutions. Relatively to access to institutions, and still relying on our immigrants interviews, there is some discrimination vis-à-vis immigrants and the unwilling to help from institutions' employees.

Our interviews to public and private institutions alert for the lack of training immigrants have vis-à-vis Portuguese bureaucracy and the fact immigrants do not rely on intermediary institutions to help to the development of their businesses. Relying on our interviews to immigrant entrepreneurs, the process they used to deal with bureaucracy was the following: they ask for help to their co-nationals that were already in Portugal for a long time and could manage the language. This intra-ethnic help was developed in order to overcome the Portuguese language barrier.

5 – Rules and regulations, policies

5.1 Overall strategy, objectives and dimensions

ACIDI – the High Commission for Immigration and Integration ⁷ is the main institution in Portugal dealing with the issue of immigrants' integration. This is a public entity whose main aim is the promotion of immigrants' integration in Portugal. At the level of immigrant entrepreneurship, there is a programme that has been developed to help the creation of enterprises. The logic and frames behind this national interest in promoting immigrant integration is related to several aspects. According to our interviews to public entities, the reasons for such interest are linked to the colonial past and the fact that Portugal has been also a country of emigration. The colonial past has led to the construction of a luso-tropicalism frame and orientation (see: Pires, 2010). Moreover, Portugal has been and continues to be a country of emigration and this fact also conditions the approach to immigration. It has to be added to the policies and orientation of ACIDI are at the national level but as many immigrants concentrate in Lisbon and its metropolitan area the programmes have an impact at the local level in Lisbon.

⁷ <http://www.acidi.gov.pt/>

According to our interview to the Lisbon Municipality actor, the economic department has no policies addressing immigrants and business creation. What has been done is mainly at the national level. Our interviews could not give much details on the development of economic programmes from Lisbon Municipality. Moreover, there was a change of municipal government, from a right-wing government to a left-wing government, and there were also changes in the several departments of the Municipality and then it was not possible to gather data on local economic policies. Nonetheless, we can argue that national policies dominate in the field of ethnic entrepreneurship with the presence of the ACIDI that concentrates the issue at the national level and has specific policies towards immigrant economic integration, namely immigrant entrepreneurship.

5.2 Main actors

If we consider the actors that promote immigrant integration and entrepreneurship, we note the ACIDI as pointed in 5.1, the Serviço Jesuíta aos Refugiados (Jesuit Service to Refugees) and Calouste Gulbenkian Foundation. Those three actors have programs to help the development of immigrant entrepreneurship in Portugal at the national level. Indeed, the Calouste Gulbenkian Foundation has programmes to help immigrant integration and provides a national prize for best practices in entrepreneurial initiative. If we consider actors that embrace all population including immigrants we have mainly national entities. Some entities are public ones linked to the Economic Affairs Ministry (see below 5.4) and the Ministry of Work and Social Welfare while others are private entities such as AERLIS – Associação Empresarial da Região de Lisboa (Enterprises' Association of Lisbon Region), Associação Nacional de Jovens Empresários (National Association of Young Entrepreneurs), PME – Associação das Pequenas e Médias Empresas de Portugal (Association of Small and Medium Enterprises of Portugal), CPPME – Confederação Portuguesa das Micro, Pequenas e Médias Empresas (Confederation of Micro, Small and Medium Enterprises of Portugal), AEP – Associação Empresarial de Portugal (Entrepreneurship Association of Portugal), or Associação Comercial de Lisboa (Trade Association of Lisbon).

5.3 Targets

ACIDI, Serviço Jesuíta aos Refugiados and Calouste Gulbenkian Foundation have programmes to target immigrants per se while other actors cited in 5.2 have several types of target groups such as young people, unemployed people or even prisoners. Nevertheless, they also accommodate immigrants in their programmes.

5.4 Institutions

There are several institutions that deal with entrepreneurship issues. In the Portuguese case, we have national public entities and national private organisations, on the one hand, and local public entities on the other hand. Finally, we have national public and private entities that deal directly with immigrant entrepreneurship.

Public and Private institutions have also programmes to encourage entrepreneurship among immigrants.

At the public national level, The ACIDI – High Commission for Immigration and Integration⁸ has also developed an initiative to help immigrants to start up their own businesses. There are several functions implemented: promotion of entrepreneurship attitudes namely in vulnerable neighborhoods, enlargement of offices of professional insertion towards entrepreneurship, formation and capacitation of entrepreneurship and the articulation with institutional partners. The project was established in 2009 and continues in 2010. In 2009, there were 10 partners namely Aguinense – Associação Guineense de Solidariedade Social (Guinea-Bissau Social Solidarity Association), Associação Cultural e Juvenil Batoto Yetu Portugal (Cultural and Youth Batoto Yetu Portugal Association), Solidariedade Imigrante (Immigrant Solidarity) or Capela – Centro de Apoio à População Imigrante de Leste e Amigos (Support Centre to Eastern European Immigrants and Friends). The scope of action of such project is national and embraces all immigrant nationalities.

At the national private institutions' level, we have the Foundation Aga Khan, Foundation Calouste Gulbenkian and the Jesuit Service to Refugees.

The Foundation Aga Khan⁹ had a programme called K'cidade - Programa de Desenvolvimento Comunitário Urbano (Programme of urban community development). Its action was mainly in the less developed neighborhoods of the MAL, with three main axis: citizenship and social cohesion, education and economic development (self-employment). It gave formation for local small entrepreneurs. This programme was developed by several partners: Central Business, Trade and Industrial Association of Sintra, Work and Welfare Ministry, Calouste Gulbenkian Foundation, Lisbon Municipality, Equal programme, and Santa Casa da Misericórdia.

Foundation Calouste Gulbenkian¹⁰ has a program to give a prize to the best immigrant entrepreneur every year. According to the interview to this actor, it is a way to promote entrepreneurship among immigrants and to help to the diffusion of informations among immigrants.

The Serviço Jesuíta aos Refugiados (Jesuit Service to Refugees) has also a programme for immigrant entrepreneurship. Indeed, it helps to obtain a micro-loan with the national bank Caixa Geral de Depósitos, a loan that is between 500 and 7,500 euros.

There are also public and private institutions that provide help to open businesses for all publics, being them Portuguese or foreigners.

⁸ <http://www.acidi.gov.pt/>

⁹ <http://www.akdn.org/portugal>

¹⁰ <http://www.jrsportugal.pt/>

At the national public level, there is the Economic Affairs Ministry through the IAPMEI¹¹ and the Ministry of Justice through the Conservatória do Registo Nacional de Pessoas Colectivas (The National Register of Collective People) that regulate the creation of enterprises. The APMEI – Instituto de Apoio as Pequenas e Médias Empresas (Institute of Support of Small and Medium Enterprises) helps and directs the creation of enterprises in the following sectors: industry, trade, services and construction. It was created in 1975 and reformed in 1988 (Decree-Law n. 386/88 of 25 January 1988). The IAPMEI has several functions that help the creation and development of enterprises: entrepreneurship assistance (development and international strategies), the promotion of enterprises through the integration in networks of public actors dealing with entrepreneurship, assistance and support in access to financial resources (venture capital and mutual guarantees), promotion of qualified investment (investimento qualificado), more precisely the promotion of investment in specific technology sectors with a high level of complexity. It works at the national level, having several offices in five regions of Portugal: North, Centre, Lisbon, Alentejo and Algarve.

Another national public actor which helps the creation of enterprises is the Centro de Apoio à Criação de Empresas (Support Centre for the creation of enterprises), which is administrated by the IEFP – Instituto de Emprego e Formação Profissional (Institute of Job and Professional Training) of the Ministry of Labour and Social Welfare.

Finally, and still at the national level, there is also the Empresa na hora, which facilitates the creation of enterprises through its website: www.empresanahora.pt, which has been in operation since 2005 (Decree-Law n. 111/2005 of 8 July). Empresa na Hora is a partnership of the Ministries of Justice, Economic Affairs and Social Welfare. However, it does not apply to European anonymous societies.

At the local level, there is the Programa Operacional Regional de Lisboa (Regional Operational Programme of Lisbon)¹², which has a public system of incentives to the qualification and internationalization of small and medium enterprises. It has also a system of incentives of innovation (SI Inovação), which is more oriented towards qualified entrepreneurship.

InvestLisboa¹³ is another programme that deals with labour market integration and entrepreneurship with the support of IAPMEI. It is a partnership with Lisbon municipality, the Portuguese Chamber of Commerce and Industry and the Portuguese Business Development Agency. With the support of IAPMEI, several initiatives have been developed, such as MODCOM 2010 – programme for the modernization of trade - or the programme INOVJovem – training for young professionals under 35 years old in technology for small and medium enterprises.

There is the Portuguese Association of Business Angels, which is a private entity composed of private investors. It organized in 2009 the entrepreneurship week. It invests in new enterprises with

¹¹ <http://www.iapmei.pt/>

¹² www.porlisboa.qren.pt

¹³ www.investlisboa.com

a high potential of success. It participates in projects with smart up funds, financial help, know-how and a networking. This association may invest between 25.000 to 500.000 euros per project.

The National Association of Young Entrepreneurs also has several programmes to help the creation and development of businesses and are in partnership with institutional actors to give informations and training. Its scope of action is the national territory.

AERLIS – Associação Empresarial da Região de Lisboa¹⁴ (Entrepreneurship Association of Lisbon Region) – was created in 1992 and has projects to help the creation of enterprises. AERLIS provides information, training and consulting. Among the several projects, there is the training programme in vulnerable neighborhoods such as Cova da Moura where there is a majority of immigrants. Financing is also part of their activities, with several loans lines of several banks and the Associação Nacional de Micro-Credito (National Association of Micro-loan).

5.5 Access and involvement in policy-making

As stated in 5.4, ACIDI has developed a programme to promote immigrant entrepreneurship and this programme has several partners, among them immigrant and pro-immigrant organisations. Those organisations have a deep knowledge of immigrant necessities and processes of labour market integration and this is valuable to promote and direct the programme to specific groups such as immigrant women, second generation immigrants and so forth.

At the local level, and relying on our interviews¹⁵, there is no access and involvement in policy-making from immigrants. At the time of the interviews, the Lisbon municipality was structuring the services and then no specific policies towards immigrant entrepreneurship were implemented yet. The Lisbon municipality actor we interviewed states that the ACIDI was the main actor in the field of immigration in Portugal and that ACIDI has the necessary instruments to promote immigrant integration and immigrant entrepreneurship at the national level.

5.6 Formal access to entrepreneurship

As specified in 4.13, from 2007 on, there were substantial changes in the immigration law. The new immigration law (Law 23/2007 of 4th July) eased the admission procedures and access to visas. An immigrant can request a temporary residence permit of one year's validity. This can be renewed for successive periods of two years and converted into a permanent residence permit after five years' residence. The new law created for the first time the legal status of independent worker and immigrant entrepreneur. There are obviously requirements for each of the two categories. An independent immigrant worker has to have a contract for service provision in the area of liberal

¹⁴ <http://www.aerlis.pt/>

¹⁵ See Joao Meneses, Municipal Director of Social, Education and Sports Action, Lisbon Municipality.

professions and his/her qualifications have to be recognised in Portugal. For immigrant entrepreneurs, a proof of investment operations in Portugal or a proof of financial means in Portugal are required.

5.7 Rules and regulations

There are no specific rules and regulations applying to immigrant entrepreneurship. Portuguese and foreigners have to comply with the same rules in order to start and develop a business. In accordance with the the interviews we made with immigrant entrepreneurs and other actors¹⁶, rules and regulations are not seen as barriers to overcome or have not conditioned immigrant entrepreneurship per se. Immigrants outlined that in order to comply with the rules and regulations they had to rely on accountant professionals to start the business, the so-called TOC – Técnico Oficial de Contas (Official accountant professionals). However, immigrant entrepreneurs state that the main problem is linked with taxes that they consider too demanding.

Since 2005 rules and regulations have been simplified thanks to the service called the Empresa na hora, which facilitates the creation of an enterprises through its website: www.empresanahora.pt (Decree-Law n. 111/2005 of 8th July). Empresa na Hora is a joint initiative of the Ministries of Justice, Economic Affairs and Social Welfare. It establishes the formal requirement for the establishing of trade enterprises. However, it does not apply to European anonymous societies. Foreigners are allowed to open a business through this service.

Concerning taxes, there are three types of taxes entrepreneurs have to pay: IRS – Imposto sobre o Rendimento das Pessoas Singulares (Income tax for individuals); IRC – Imposto sobre o rendimento das pessoas colectivas (Income tax for of legal persons); and the IVA – Imposto sobre o valor acrescentado (Value added tax).

Concerning social welfare contributions, there are two types of situations: employers' contributions for their employees, and self-employed people. Employers have the obligation to declare their employees to the Social Welfare Ministry. In general terms, there are contributive declarations to pay as follows: 23.75% are paid by the employer and 11% by the employee, performing a total of 34.75% of real wages¹⁷. In certain activity sectors, the value may differ such as domestic workers. In order to be covered by the Portuguese Social Security System, employers have to pay those contributive declarations to the Portuguese Social Security System. This is compulsory and allows employees to have social rights. Those social rights are, under the auspices of the Portuguese Social Security System, family allowances, unemployment benefits, sickness benefits, maternity, paternity and adoption benefits, occupational diseases, invalidity pension, old age pension, disability benefits

¹⁶ The immigrant entrepreneurs we interviewed are: Priyanka Fashions entrepreneur, TASFA and Perola do Oriente. The other actors that give informations at this level are: AERLIS, ANDC and IIEFP.

¹⁷

http://www.portaldaempresa.pt/CVE/pt/AreasdeInteresse/Impostos_Contribuicoes/Contribuicoes/Trabalhadorescontaoutrem/SER_contribuicoes+para+a+seguranca+social+dos+trabalhadores+por+conta+de+outrem.htm#Description

or situations of dependency. As we have seen in 5.4, there are specific programmes from the Social Welfare system that allow employers to pay less in terms of contributions (see ordinance n. 125/2010 of 1st March 2010).

Self-employed people and independent contractors also have obligations towards the Social Welfare Ministry. They have to register and to pay contributions based on an index of wages.

Employers must also comply with health and safety at work laws. The Decree-law n. 441/91 of 14 November 1991, established the legal regime of health and safety at work. The law 100/97 of 13 September 1997 approved the legal regime of work accidents and professional injuries. The decree-law 159/99 of 11 May 1999 regulated the work accidents' insurance for independent workers.

5.8 Zoning plans

Few data have been collected concerning zoning plans due to a lack of knowledge of these latter on the part of the interviewed actors. Nonetheless, there is a specific geographical area called TagusPark – Technology and Innovation, situated in Oeiras district and Lispolis – Technology Park – in Telheiras in Lisbon. TagusPark is a private company that manage enterprises which are highly specialised. The shareholders of the company are, among others, Oeiras Municipality, Portuguese Commercial Bank, IAPMEI, Portuguese Industry Association, BPI Bank, or Technical University of Lisbon. However, as far as we know, there are no immigrant enterprises settled there because this park is directed toward highly specialised businesses. Lispolis park embraces technology enterprises and services enterprises. Moreover, and in accordance to our interview to the Association Renovar Mouraria, the Mouraria quarter has been under urban requalification and the construction of two shopping centres have promoted the integration of immigrants' businesses and shops. Indeed, this neighborhood in the centre of Lisbon, has been chosen by immigrants to open shops in both shopping centres because it was not expensive. The construction of those shopping centres was not directed towards immigrants but the fact it was in the centre and the fact the neighborhood was not an expensive one, immigrants took advantage of that and integrated in the area. It has also to be said that most part immigrants settled in this area are from Asian countries, such as India, Bangladesh or China.

5.9 Sectoral rules and regulations

Concerning sectoral rules, we consider those where we find many immigrants, namely construction or restauration. For construction, there are ordinances, decree-laws and notices that regulate several aspects, such as wages accordingly to the specialisation of the workers or the legal regime to enter to this activity. The legal regime to enter to this activity means the rules workers have to comply

with in order to start their activity. Two main legal regulations have to be mentioned: notice 6568/2004 of 15th June 2004 that determines the index of wages and material costs and decree-law 12/2004 of 4th January 2004 that regulates the legal regime to enter and to maintain an economic activity in construction's sector.

Trade is also a sector with specific rules. We consider two main aspects regulated in the Portuguese legal framework. Decree-law 42/2008 of 10th March 2008 gives the rules for retail trade by non-sedentary traders. There is also the decree-law 234/2007 of 19th June 2007 that is the new framework for the functioning of restauration and beverage establishments.

An important aspect to point out is the system of academic equivalence and/or recognition. Indeed, foreigners with specific qualifications and academic training may ask for the equivalence and recognition if they want to continue their professional life in the same sector of activity done in their country of origin. The legislation that regulates equivalence and/or recognition is: Decree-law n. 283/83 of 21st June 1983, which regulates the equivalence/recognition of foreign qualifications and decree-law n. 341/2007 of 12th October 2007, which instituted a new legal regime for recognizing foreign higher education academic levels. There is also the recognition of professional qualifications that allows to exercise in Portugal the profession or activity exercised in the origin country. For that, the legal framework relies on Directive 2005/36/CE, which is applicable to any citizen of a member state that wishes to exercise a regulated profession in a member state other than the one where he/she acquired his/her professional qualifications. This Directive applies to the following areas: professions for which one must hold specific qualifications, industrial, handicraft and commercial activities and specific professions such as doctor, nurse, dentist, midwife, pharmacist or architect. The new legal regime of 2007 was created under the pressure of some immigrant organisations, especially from Eastern European Countries, to ease the recognition of diplomas and to allow to work in those specific fields of activity. According to our interview to the Serviço Jesuita aos Refugiados (Jesuit Service to Refugees), this new regulation has allowed some qualified immigrants to have the recognition of their diplomas and to work in their activity of formation and qualification. It has had the advantage to ease the process and to see the introduction of Ukrainians doctors and nurses into the Portuguese Health System.

5.10 Business acumen

There are several institutions which provide transfer of knowledge or financial help to entrepreneurs in order to help them to create and manage their business.

These institutions work in general terms at the national level, but there are some that operate specifically in the MAL area.

National entities can be of a public or private kind. The main national public entity that deals with the creation and development of enterprises is the IAPMEI – Institut of Support of Small and Medium Enterprises – which is a structure of the Economic Affairs Ministry. The other public entity that deals specifically with immigrant entrepreneurs is the ACIDI – the High Commission for Immigration and Integration.

Private entities are also part of the national network. We provide informations based on webistes about the main actors that represent the nodes of a national network of actors in Portugal.

There is the AERLIS¹⁸ – Associação empresarial da regio de Lisboa (Business Association of Lisbon Region), which has several services to its associated enterprises at the Lisbon level. The Aerlis was created in 1992 and has six main axes: information, training, services' provisions, internationalization of enterprises, region development promotion, and the representation of associated enterprises's interests vis-à-vis political actors. The Aerlis provides many services, namely, training to employees and chiefs of enterprises, investment, accountant and financial expertise, certification of enterprises, conflict resolution, publicity and marketing or intelectual property.

The CPPME¹⁹ – Confederação Portuguesa das Micro, Pequenas e Medias Empresas (Portuguese Confederation of Micro, Small and Medium Enterprises) is a national entity with 17.900 associated enterprises. It has two main axes: representing the interests of micro, small and medium enterprises and the defense of those enterprises's interests vis-à-vis the Government and the Portuguese State. Among the services provided, there are training, information of legislation development and opportunities, and technical training.

The ANDC²⁰ – Associação nacional de apoio ao crédito (National association of loan support) is a national entity that was created in 1998 with the initiative of the portuguese civil society. Its main aim is the economic inclusion of excluded social groups. It gains more visilibity since 2005 when micro-loans started to be promoted in other European Countries. There are several services to create and develop the micro-entreprise: the preparation of the initial plan with the main lines of the entreprise, the accompaniment of the entrepreneur during the first years of activity, and the attribution of a micro-loan of 10.000 euros with a potential attribution of more 2.500 euros after the first year of activity. In order to develop its activities, the ANDC has several partnerships with the IEFPP, the Caixa Geral de Depositos bank and the Banco Espirito Santo bank. In the case of immigrants, it has also a partnership with ACIDI.

The ANJE²¹ – Associação Nacional de Jovens Empresarios (National Association of Young Entrepreneurs) is a national private entity created in 1986 with the main to help the creation and development of enterprises by young people. There are some 4.000 associated enterprises. Its services are: conception and diffusion of instruments to the creation of enterprises, services

¹⁸ <http://www.aerlis.pt/>

¹⁹ <http://www.cppme.pt/SITES/>

²⁰ <http://www.microcredito.com.pt/>

²¹ <http://www.anje.pt/2005/default.asp>

provisions of a juridical nature, institutional representation vis-à-vis Government and Portuguese State institutions, internationalization of enterprises, support to innovation, and training. Among training activities, there are trade, accounting and taxation, quality, and management and administration.

The PME²² – Associação de Pequenas e Médias Empresas (Association of Small and Medium Enterprises) is a private organisation that works at the national level with some 9.800 associated enterprises. This association has many services, among others, legal advice, enterprises creation help (business plans, feasibility studies, projects evaluation), taxation advice, insurances, incentives application, management system certification, accounting services, market research, or training.

The AEP²³ – Associação Empresarial de Portugal (Enterprises Association of Portugal) is the oldest association of enterprises in Portugal created in 1838. It has a national scope of action and gives advices and technical services to enterprises. There are several services and we have, among them, economic information, training, internationalisation, quality, incentives system, and legal advice (work law, social welfare law, trade law, taxation law, industrial property law, international trade law, administrative law, enterprises law).

The APCRI²⁴ – Portuguese Association of Venture Capital is a national entity that represents the interests of actors that invest in enterprises through venture capital. The main associated actors are venture capital societies, banks, insurance companies, public institutes, foundations and individuals.

Finally, there are three private entities that deal directly with immigrant entrepreneurs. We have the Serviço Jesuita aos Refugiados (Jesuit Service to Refugees), the Fundação Calouste Gulbenkian (Calouste Gulbenkian Foundation) and the Fundação Aga Khan (Aga Khan Foundation).

The Jesuit Service to Refugees, and relying on our interview to this actor, provides help to obtain a micro-loan. The institution has protocols with the following actors: the ANDC, Caixa Geral de Depósitos Bank and Millennium BCP bank. It has specific services to help the creation of micro-enterprises, namely, legal advice and training in taxation and personal finances. The process works as follows: the institution searches for the best candidates (they have to fulfil the following conditions: to have no negative financial background, some sustainability bases, and to have the permanent resident permit), and propose those candidates to the ANDC and banks. The ANDC and banks make interviews and analyse the immigrant proposal for the creation of a micro or small enterprise and then take a decision. According to the interview, 70% of immigrants that appeal for a loan are not successful.

The Calouste Gulbenkian Foundation, and considering the information provided in the interview, has two particular programs to support immigrant entrepreneurship. On the one hand, it has a pilot project at the local level in the Amadora Municipality in the MAL. It is called Amadora Empreende

²² <http://www.pmeportugal.com.pt/Default.aspx>

²³ <http://www.aeportugal.pt/inicio.asp?Pagina=Areas/Universo/Apresentacao>

²⁴ <http://www.apcri.pt/>

and has annual competitions open to several social categories: immigrants, unemployed women, ex-prisoners, and young people searching for the first job. The program gives money, training and geographical space (a space to open the business) to the winners. The second program is based on the immigration platform, created in 2006 that has several actors, among them, Obra Católica para as Migrações, 13 municipalities, workers unions and employers unions. The immigration platform gives a prize (20.000 euros) to the best immigrant entrepreneur.

The Aga Khan Foundation²⁵ created in 2004 the K' Cidade program, which aim is the community development in urban problematic areas. It has a duration of ten years and has several partners: Santa Casa da Misericórdia de Lisboa, Central Business, Iniciativa Comunitária Equal, Work and Social Solidarity Ministry, Caloust Gulbenkian Foundation or the Municipalities of Lisbon and Sintra. Among its axes, there is the economic development through, among others specificities, the entrepreneurship area. This program works with vulnerable people, among them, immigrants.

5.11 Finance

The following information is based on the websites consulted and on our interviews to institutional actors.

The National Association for the Right to Loans, which we interviewed, gives loans to small entrepreneurs in the Portuguese territory. In 2009, some 1 million euros were distributed among 174 projects at the national level. Some 287 workplaces have been created in 2009 with this loan support. 36% projects were implemented in Lisbon region. From 1999 to 2009, 52.3% of the financed projects were presented by women while 47.7% by men.

Some of those projects were presented by foreigners. In 2009, among the approved projects, there were 5 presented by Brazilian citizens, 4 by Angolans citizens, 3 by immigrants originary of Guinea-Bissau and S.Tomé and Príncipe, 2 by Ukrainians and 1 by a Cape Verdian citizen. Nonetheless, the majority of projects are presented by Portuguese nationals (some 85%).

As we have seen above, there are other actors that provide loans to entrepreneurs. The IAPMEI has a programme called FINICIA²⁶ (finance solutions for small enterprises), where the state shares the risk with bank institutions, venture capital associations and business angels.

There is also the Portuguese Association of Business Angels²⁷, which gives loans or certain amounts of money to start up or to develop a business.

The IEFPP with the programme INVEST+²⁸ has a loan programme for unemployed to create their business.

²⁵ <http://www.akdn.org/portugal>

²⁶ See http://www.iapmei.pt/iapmei-not-02.php?noticia_id=681

²⁷ <http://www.fnaba.org/>

²⁸ http://www.iefp.pt/apoios/candidatos/CriacaoEmpregoEmpresa/Paginas/Apoios_Criacao_Empresas.aspx

The National Association of Young Entrepreneurs²⁹, in partnership with Caixa Geral de Depositos Bank, provides loans to young people under 40 years old to open businesses.

The Jesuit Service to Refugees, which we interviewed, in partnership with Caixa Geral de Depositos Bank has also a programme to give micro-loans to foreigners to create their own businesses.

The important fact that emerged from our interviews³⁰ is that immigrants do not take advantage of such facilities. Indeed, our interviewees outline the fact that immigrants are not aware of such opportunities and, generally speaking, do not ask for such help. It has also to be said that such entities that promote those loans facilities do not try to disseminate the information in the immigrant population.

5.12 Business location

Immigrant business generally locates in Lisbon city and its metropolitan area. In the case of Indians-Hindus, and following Malheiros study (2008: 138), they are located in specific areas of Lisbon, such as “the streets that link Poço do Borratém/Martim Moniz to Praça do Chile”. These streets are located in the centre of the city. They are also present in the municipality of Loures in Quinta da Vitoria. Other nationalities are also concentrated in different municipalities, such as Cape Verdians in Cova da Moura district in Oeiras municipality. Other nationalities appear to be more dispersed over the Lisbon city such as Chinese.

5.13 Access to employment with ethnic businesses

The IEFP provides several programmes for the employment of specific categories of the active population in enterprises. One programme is maintenance of employment and reduction of precariousness. In this programme, the IEFP gives incentives for the employment of active population in micro and small enterprises, namely, the reduction of 3% of welfare contributions for the employer if he employs a worker who is 45 years old or more. Another programme is the support to the reduction of job precariousness with financial support and exemption or reduction of welfare contributions in order to convert a fixed-term contract into a permanent contract. The exemption or reduction of welfare contributions may be of 50% less welfare contributions and until 36 months if an employee is working with a permanent contract. There is also the reduction of 1% of the contribution rate for 2010. The IEFP provides also a programme for qualification of employment in the following sectors of activity: motors, trade and tourism. The other main line of incentives is hiring support. This programme provides incentives to hire people with a permanent contract through the exemption of welfare contributions. This applies in the case of hiring young

²⁹ <http://www.anje.pt/2005/default.asp>

³⁰ Interviews to Calouste Gulbenkian Foundation, Serviço Jesuita aos Refugiados, CPPME.

people, unemployed people for more than 6 months and people with special difficulties to integrate the labour market (ex-prisoners or unemployed for at least 2 years). Finally, the IEFP has a programme to help the hiring of temporary workers, which is made of reduction of welfare contributions for the hiring of unemployed with 40 years old or more or people with specific difficulties. The reduction of welfare contributions is of 50% for the first year of contract and a reduction of 65% in the following years.

There are no specific programmes to provide access to employment within ethnic businesses. The programmes of the IEFP are open to all employers.

5.14 Staff matters

In 5.7 we have outlined the main duties employers have vis-à-vis their employees in terms of social rights and contributions. Under the constitution of the Portuguese Republic, the Social Security System guarantees welfare for all nationals (Law n. 4/2007, of 16th January 2007). Foreign nationals who work and reside legally in Portugal, along with their families, are subject to the same rights and obligations as Portuguese nationals. However, the payment of certain benefits to foreign residents on the basis of international social security agreements may depend on the verification of certain conditions, namely minimum periods of residence. It is the duty of the employer to register employees starting employment at their service. It is then compulsory. Workers who initiate an activity as self-employed persons are required to join the scheme and register at the social security office.

What are then the general contribution amounts? For employees, the contributions are calculated at the rate of 34,75% on income payments, with: 11% being paid by the employee and 23.75% by the employer. As we have already stated, for domestic service workers, the contributions are different. Contributions are calculated at the rate of 26,7% with 17,4% paid by the employer and 9,3% by the employee.

The amount of contributions for self-employed persons is different and depends on the person's choice of protection scheme. The rates applicable to the amount chosen are: 25,4% for compulsory scheme and 32% for extended scheme.

The social security system covers protection in sickness, old age, invalidity, death, widowhood and orphanhood, unemployment, maternity, paternity and adoption, accidents at work and occupational disease.

In what concerns the work hours per week, and as stated in the Work law n. 7/2009, of 12 February 2009, the number of working hours per week is of 40 hours.

According to the interview to the main labor union director, immigrants, generally speaking, employ their co-nationals with the exception of Indians-Hindus and, then, immigrant entrepreneurs do not always follow work conditions' rule and rights. It is said in the interview that immigrants

working for immigrant entrepreneurs work long hours and not always under good work conditions. As the actor refers, it does not mean that immigrant entrepreneurs do not know the rules and social rights but they may take advantage on their co-national workers and not follow the rules. Indians-Hindus are a specific case because they usually do not want to employ co-nationals. As one Indian states in our interviews, employing co-nationals may favour competition among the community because this co-national worker will learn how to manage and business and will open his own business soon after.

5.15 Marketing

According to our interviews conducted with immigrant entrepreneurs, there are no specific measures for improving the marketing of immigrant entrepreneurs. When an immigrant entrepreneur decides to conduct market search, he/she does it by his/her own and does not rely on specialists to do so. However, in general terms and according to our interviews, immigrants do not make market search and prospectations.

5.16 Transnational economic connections

No special measures are implemented to favour the transnational connections of immigrant entrepreneurs with their country of origin. According to our interviews, transnational connections with the country of origin are made by virtue of the immigrants own initiatives, without any institutional help. Nonetheless and as outlined before, in the case of Chinese, the Chinese embassy has been a important actor in the process of transnational economic connections.

5.17 Training and management support

As we have referred to, there are public and private actors that give training and management support to all potential entrepreneurs and, in some cases, to immigrant entrepreneurs.

The actors are that provide training and management support for all publics are: IAPMEI, IEFEP, National Association of Young Entrepreneurs, AERLIS, CPPME – Portuguese Confederation of Micro, Small and Medium Enterprises, PME – Association of Small and Medium Enterprises, AEP – Enterprises Association of Portugal.

The actors that provide help at the training and management levels for immigrant entrepreneurs are: ACIDI and Serviço Jesuíta aos Refugiados – Jesuit Service to Refugees.

5.18 Illegal and informal practices

Illegal and informal practices may be found in immigrant enterprises as regards family co-workers. Relying on our interviews with institutional actors, immigrant entrepreneurs may use family workforce without formalizing such workforce concerning the social security system and Work and Social Affairs Ministry.

5.19 Non-action

As we have seen throughout this report, in Portugal there has been a pro-active attitude from public entities to support immigrant entrepreneurship at the national level. This is particularly evident with ACIDI programmes. As stated in one interview with a member of Lisbon Municipality, this pro-active approach to immigration is framed under the history of emigration from Portugal and the links with ex-colonial countries.

5.20 Dialogue

Dialogue has also been instituted at the national level with ACIDI and IAPMEI as the main nodes of a network of several private and public entities.

ACIDI works as a public platform where immigrant organizations are consulted and considered in order to establish programmes and new immigrant and immigration laws (see Pires, 2010).

IAPMEI has been instituted by the Economic Affairs Ministry to help and improve conditions for entrepreneurship at the national level, having partnership with other actors that deal with the issue.

6 – Other

6.1 – Summary and conclusions

Portugal has witnessed a constant increase of foreigners and immigrants throughout the decades and an increasing diversity of nationalities. Nevertheless, the main immigrant groups are those with a historical link with Portugal such as Brazil, Cape Verde or Angola. Lisbon and its Metropolitan Area –MAL- concentrates the majority of foreigners and immigrants.

Considering the economic development of Lisbon and its MA, the city has been under recent changes with an increase of tertiary sector's activities and the development of micro, small and medium enterprises. Recently, there has been an increase of IT enterprises in the city and its MA. The level of self-employed people in the Portuguese population in Lisbon is of 14.9%.

An interesting point is that we find similarities between Portuguese population workforce characteristics and immigrants. In fact, and as described, immigrant entrepreneurs are concentrated in the main activities that Portuguese also develop, those being construction, wholesale and retail

trade, accommodation and restaurants and services to firms. If we consider also the level of qualification, we find out that some 50% of active population in Lisbon has only the basic schooling, which is quite similar to immigrants.

If we take into account the rates of entrepreneurship among immigrants, we find out that rates differ according to the nationalities. However, in general terms, 2.9% of immigrant population are entrepreneurs. Their types of firms are micro and small enterprises. The type of marketing strategy is essentially an assimilationist one, trying to capture Portuguese costumers. Another important aspect is the significative level of unpaid workers in immigrant enterprises. Indeed, many rely upon family help and work and this leads to informality but it is also a competitive factor for these enterprises. We also saw the strong relation between immigration laws and rates of immigrant entrepreneurship. Indeed, there has been a positive evolution with the recognition of this type of labour market integration on the part of Portuguese legislators. Finally, we have also outlined the pro-active policies from Portuguese state entities to promote and give incentives to help and develop immigrant entrepreneurship. Programmes towards potential immigrant entrepreneurs have a national scope of action. As main actors, we register two entities: ACIDI and IAPMEI. They develop networks and programmes in partnership with other public and private entities. Immigrant entrepreneurs are also targeted by ACIDI and two other private entities: The Jesuit Service to Refugees and Calouste Gulbenkian Foundation. The Lisbon Municipality has no specific programmes to help immigrants to open a business. All measures and policies have a national scope of action.

6.2 Good practices

In 2006, a platform was launched in order to promote the integration of immigrants and to launch the Immigrant Entrepreneur of the Year Award. This platform was launched by the Foundation Calouste Gulbenkian in partnership with other civil society's actors. According to Valle (2008: 271), the partners are "Aga Khan Portugal, Calouste Gulbenkian, Luso-American, Luso-Brazilian, Orient and Portugal Africa Foundations, the Entrepreneurial Association of Portugal and the Portuguese Industrial Association, the Episcopal Commission for Human Mobility, the Confederations of Farmers of Portugal, of Trade and Services of Portugal, of Portuguese Industry, and Portuguese Tourism, the General Workers' Union, and the General Confederation of Portuguese Workers". In 2007, the Immigrant Entrepreneur Award was given for the first time after an evaluation by an independent jury.

6.3 Any other final comments or suggestions?

The main point of this report is the fact immigrants are seen as a positive factor for the economy of the country and there is a pro-active approach to the issue from main national public and private entities of Portugal. Nonetheless, there is still a lack of information of opportunities of training, employment benefits and taxes exemption and financing by different type of actors. Immigrants seem to rely heavily on their own savings or the co-family and co-ethnic help. There is, then, a need for a better dissemination of information.

6.4 Interview partners

Joao Meneses, Director Municipal da Acção Social, Educação e Desporto, Camara Municipal de Lisboa (Municipal Director of Social, Education and Sports Action, Lisbon Municipality)

AERLIS – Associação Empresarial da Regiao de Lisboa (Entrepreneurial Association of Lisbon Region)

Associação Renovar Mouraria (local association of inhabitants of Mouraria Quarter, Lisbon)

Gebalis – Gestao dos Bairros Municipais de Lisboa (Organisation for the Management of Municipal neighborhoods of Lisbon)

IAPMEI

DGEEP – Dra. Candida Soares, Directora Geral de Estudos, Estatisticas e Planeamento, Ministério do Trabalho e da Solidariedade Social (General Director of Studies, Statistics and Planning of the Work and Social Solidarity Ministry)

Serviço Jesuita aos Refugiados – Director André Jorge (Jesuit Service to Refugees)

ACIDI – Dra. Catarina Oliveira

CPPME – Secretario José Martins, Confederação Portuguesa das Micro, Pequenas e Médias Empresas (Portuguese Confederation of Micro, Small and Medium Enterprises)

ACL – Associao Comercial de Lisboa (Commerce Association of Lisbon)

ANDC – Associação Nacional de Apoio ao Crédito (National Association of Loan Support)

Fundação Calouste Gulbenkian

IEFP – Instituto de Emprego e Formação Profissional (Institut of Employment and Professional Training, Ministry of Work and Social Solidarity)

CGTP – Confederação Geral dos Trabalhadores Portugueses – (General Confederation of Portuguese Workers)

PRIME – Programa de Incentivos à Modernização da Economia, Ministério da Economia (Programme for incentives to economy modernization, Economy Affairs Ministry)

Priyanka Fashions – Indian-Hindu immigrant entrepreneur

TASFA, Bangladesh immigrant entrepreneur

Perola do Oriente, Chinese immigrant entrepreneur (off-record)

6.5 Books and reports

Book dealing specifically with immigrant entrepreneurship in Portugal :

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