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- H2020-EU.3.6.1.2. Trusted organisations, practices, services and policies that are necessary to build resilient, inclusive, participatory, open and creative societies in Europe, in particular taking into account migration, integration and demographic change.

Deliverable 4.3 – 10 country reports on economic impacts.

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This document presents a qualitative assessment of TCNs economic impact in the studied remote and rural regions of MATILDE countries – Austria, Bulgaria, Finland, Germany, Italy, Norway, Spain, Sweden, Turkey and in the United Kingdom – and in the framework of the foundational economy.

Firstly, each report includes a description of the selected companies and the rationale for choosing them as well as the methodology and the ethical aspects related to the fieldwork and the context where they operate – building the knowledge of MATILDE regions produced under the previous tasks (WP2,3,4) and additional desk research and fieldwork gathered information.

Secondly, each country report discusses, on the basis of the interviews and the literature, how migration has brought changes in the company/enterprise models, in particular whether there have been changes in the culture of doing business and promoting innovation (including social innovation).

Thirdly, each national report discusses how migration has intertwined with the local community and territory, throughout the participation of migrants to local economy, focusing on how rurality and remoteness have played a role in the development of links or interaction with the local community and including also issues related to local welfare services. Moreover, those documents discuss the changes that migrants’ entrepreneurship have provoked and their perception by both the locals and the migrants’ themselves.

Finally, they include a reflection on the policy related factors that are facilitating or hindering migrants’ entrepreneurship and innovation capacity.
OVERVIEW OF COMPANIES SELECTED FOR THE INTERVIEW, METHODS AND KEY FEATURES OF THEIR EMBEDDING CONTEXTS

VORARLBERG:

As already described in Del. 2.1 Vorarlberg has a long tradition of immigration, based on a prospering industrial development. Hence, for decades people with migrant background have become a relevant backbone of Vorarlberg’s workforce, a statement that was mentioned in several interviews (WP3) before. For the analysis in this chapter we chose four different small and medium sized companies in key sectors of the foundational economy, including a construction enterprise, a hotel, a hairdresser and a long-term care facility for elderly people. The long-term care facility for elderly people is a non-profit enterprise owned by the association of municipalities of Vorarlberg. It fits a number of criteria which refer to the definition of EMES, an international research network on social enterprises (Nyssens and Defourny 2013). The care facility is an activity that produces care services and has an explicit aim of community benefit. As the ownership is distributed among the municipalities (although there is a CEO speaking for the municipalities), one may say that decision making power is not based on ownership. Additionally, we conducted interviews with managers of social enterprises, respectively with organisations who work in the area of socio-economic enterprises employing “transit-workers” in the so called “second” labour market, relevant for many persons with migrant background. “Transit workers” refer to long-term unemployed persons (more than 12 months without job) who get a temporary job training funded by the employment services, the Federal State and municipalities (Arbeit Plus 2021). An interview with a self-employed caretaker with Iraqi background who has not yet achieved a status of permanent residence completed our picture of companies. As a whole we conducted 16 interviews with...
managers, a human resource manager, and employees (mostly with migrant backgrounds) (see table 1 below).

Before going into more detail, it has to be mentioned that this collection of companies can hardly provide a balanced overview of the complete structure of enterprises in Vorarlberg which includes large international companies (like Doppelmayr, Liebherr, Alpla) as well as many other forms of enterprises and corporations. The specific enterprises in this analysis were chosen because of their importance in foundational economy as a “set of economic activities that constitute the material infrastructure of social life” (Barbera, Dagnes and Salento 2016, p. 8) and their well-known high share of migrant employment. Additionally, we hoped to gain insights into the specific attitudes and activities of these small and medium sized companies towards migrants and their impact on local development in a rural and mountainous environment.

Table 1 below summarizes the interview activity, mostly conducted face to face during one week in April 2021 in different locations in Vorarlberg. The duration of the interviews varied from 30 to 90 minutes. All interviews were conducted in German in a friendly and obliging atmosphere in the working environment of the interviewees. Interviewee with a native tongue other than German could speak German sufficiently well, thus no translation was needed.

Table 1: list of interviewees

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewed persons</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manager (including HR manager)</td>
</tr>
<tr>
<td>Construction enterprise</td>
<td>2</td>
</tr>
<tr>
<td>Hotel</td>
<td>1</td>
</tr>
<tr>
<td>Hairdresser</td>
<td>1</td>
</tr>
<tr>
<td>Care facility for the elderly</td>
<td>2</td>
</tr>
<tr>
<td>Social enterprise</td>
<td>3</td>
</tr>
<tr>
<td>Caretaker</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

Source: BAB 2021
The first three companies are family companies in the second or third generation with a well-established link to the local community and territory, all of them located in the southern part of Vorarlberg. In the following sections, we want to present some details about the respective companies, the social enterprises and interviewees. The interviewed employees have been picked by the managers, a fact that needs to be kept in mind.

Starting with the construction company, this company is a medium sized enterprise with a staff pool of about 200 to 270 employees. It is located in a rural valley in the vicinity of the densely populated Rhine valley. The history of this family company goes back to two separate construction companies of the father and father-in-law of the interviewee. Two years ago, they merged into one enterprise and moved to a joint location. Employees with a migrant background have always been important for the company with predominant countries of origin changing over the time (people from Turkey, Ex-Yugoslavia, Brazil and recently mainly Afghans. Currently, a diverse group of employees work for the company, ranging from persons with Austrian background to persons with migrant background of various origins, in first or second generation. Altogether, we were able to talk to four persons: One of the two managers of the family company, the human resource (local background) and with two employees, one of them working as qualified foreman (local background), the other interviewed employee of Afghan background who started as asylum seeker an apprenticeship in 2017, and now with completed vocational training advanced to skilled worker.

The next company described is a hotel, which is located in the main settlement of the most southern valley of Vorarlberg (almost 4,000 inhabitants), a particular mountainous region with high importance of winter and recently also summer tourism. The hotel is run in third generation the next change is already foreseeable when the next generation (son and daughter) will take over. When used to full capacity there are 40 employees during winter and 30 employees during summer, three third of them work full time. About half of the employees have migrant background of varied origins, the other half are locals (which is claimed to be an asset when it comes to local engagement) or recruited from other parts of Austria. During our visit, we were able to talk with one of the two hotel managers and with two chambermaids with migrant background. One of the chambermaids is originally born in Bosnia Herzegovina (BiH). She has worked in different work settings and professions in tourism in the southern part of Vorarlberg for about 30 years. Since
2005 she has been employed in this hotel as chambermaid in a leading position. The other employee was born in Slovakia but migrated to BiH. Though she is a trained translator, she came to this hotel as a chambermaid because she was in need of money and the job was recommended by her cousin. The next company in charge was a hairdresser salon located in the centre of a municipality (6,500 inhabitants) near the regional capital of Feldkirch. The salon was founded 70 years ago by the parents of the current owner and manager of the salon. Currently six persons are employed, three locals and three persons with migrant background (from Ex-Yugoslavia, Romania and Iraq). The numbers of employees differ from six to ten persons, currently the manager is urgently looking for additional personnel, which proves to be quite difficult because of the lack of skilled workers.

Besides the manager we were able to conduct an interview with an employee from Iraq. He has achieved a vocational qualification for male hairdressing acknowledged in Austria, a job he has already learnt in Iraq where he had his own saloon.

The long-term care facility for elderly people may be classified as a social enterprise (see above). The respective care facility, where we conducted two interviews, is located in the centre of a small village (about 1,000 inhabitants) outside the district town of Bludenz in a rural and mountainous valley. It is part of a larger non-profit organization, which consists of seven care facilities for elderly people and assisted living accommodations, all located in Vorarlberg and owned by the association of municipalities of Vorarlberg. The non-profit organization was founded as a countermeasure against increasing privatisation of care facilities in 2002 in Vorarlberg, with the aim to maintain this task in public responsibility and to secure regional offer, close to the homes of elderly people. The respective care facility contains 34 beds in two living areas and four assisted living accommodations. About a quarter (ten persons) of the staff (38 persons in total) has a migrant background mostly from other EU countries, but also from third countries (e.g. Columbia) (which is about the average of employees in all of the seven care facilities). Half of the care taking personnel have their origins in the region.

Besides the manager of the non-profit organization we were also able to conduct interviews with the manager of the respective care facility (local background) and a qualified nurse with migrant background from Romania.
The classical **social enterprises** in Vorarlberg are subsumed in a non-profit umbrella organization, which represents the interests of these enterprises in the area of qualification and long-term unemployed people. The main aim of the five social enterprises in Vorarlberg is to employ, qualify and place those people who cannot find a job on the first (regular) labour market, at least temporarily as transit workers in the “second labour market”. Many of the beneficiaries are people with migrant background. Employment projects are funded by the employment service (AMS) (9 mio EUR in 2021) and by the Federal state of Vorarlberg (3.5 mio EUR in 2021). As a whole, about 50 different locations (divided among the five social enterprises according to their specific focus) employ 300 persons with a permanent contract, about 1,000 persons with temporary contract as transit workers. About 2,100 are in educational programmes of the employment service. Besides an interview with the manager of the umbrella organization we conducted interviews with managers of two different social enterprises. Their approach is similar, their difference occurs mainly because of their initially different regional focus and their history. Both social enterprises deal with educational and labour market programmes, job coaching and educational coaching. They offer a broad portfolio of jobs in very different branches. Two projects are of major importance for people with foreign background. The “social integration leasing” project provides a “mobile use” of transit workers in “regular” companies in Vorarlberg and serves as preparation for the regular labour market. The other project is called “Work First” and is exclusively targeted to recognised refugees with needs based minimum income, who are not employable because of their poor knowledge of German (failed A1 exam). The main aim of this project is to learn German while being in occupation. Finally, we conducted one interview with a **self-employed caretaker**, a refugee from Iraq, who came to Austria in 2015. He still has no residence permit after almost six years of application, a fact, that dominates and restricts his life. He works as a self-employed caretaker, one of the two options for asylum seekers to be self-employed (the other is cleansing). He is no longer in basic provision, and pays for his needs and accommodation in the refugee care home himself. His reasons to escape have not been recognised by the judge also in his second interview, right now he applies for the Red-White-Red card (access permission through labour market). To get it, the judge needs to be convinced that he is self-employed and sustained, and well-integrated.
CARINTHIA:

For the case study Carinthia, in total nine companies from different economic sectors, for the region of Carinthia as well as in light of the Foundational Economy (FE) important, were analysed. As described in the “Manifesto for the Foundational Economy” (Bentham et al. 2013, p. 9), the FE “include[s] the everyday activities which underpin social and economic life by supplying goods and services that could be locally produced and which already employ significant numbers in branches or networks”. Concretely, “FE covers everyday economic activities from local supply to services of general interest, from material-ecological (energy, transport, water) and social infrastructure (education, health, care) to housing, leisure and gastronomy”(Novy et al. 2019, p. 8; own translation). According to this definition, the selected (social) companies in Carinthia in the fields of education, gastronomy, construction, taxi service, interpretation & translation, high-tech and migrant consulting, all belong to FE and are sectors, where many migrants usually are employed.

Five of the analysed companies are migrant owned and led. Two of the nine companies are social enterprises (one of the two is entirely public funded). From the point of company size, there are one-person enterprises and micro enterprises up to large enterprises involved:

Table 2: Overview of companies

<table>
<thead>
<tr>
<th>Defined company size*</th>
<th>Number of enterprises in the sample</th>
<th>Company size of selected enterprises</th>
</tr>
</thead>
</table>
| one-person enterprises and micro enterprises | <9 employees | 3 | • Company A: 1 employee  
• Company B: 1 employee  
• Company C: 3 employees |
| small enterprises | 10 – 49 employees | 2 | • Company F: 18 employees  
• Company G: 10 employees |
| medium-sized enterprises | 50 – 249 employees | 2 | • Company D: 20-100 employees (season-dependent)  
• Company I: ~100 employees (in high season) |
| large enterprises | ≥ 250 employees | 2 | • Company E: ~270 employees**  
• Company H: ~3,900 employees** |

Source: CUAS

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*) For the definition of company sizes, see EUROSTAT (2016).

**) The number employees listed only show the number of employees at the location(s) in Carinthia. However, both are international companies/groups with locations all over the world.

According to the degree of urbanisation (see Laine et al. 2021, MATILDE Deliverable 7.11, Map 7), six companies are located in a city or town/suburb of Carinthia, one of the six companies has, apart from the head office, further locations in rural areas and three companies are located in the rural area of Carinthia. In this context, it must be noted that, in contrast to the degree of urbanisation, for example for the "town" of Villach, everything except the inner-city core, is perceived as rural by people living there, since the current municipal area is largely formed from agricultural surrounding communities (cf. WP3WP4ATK003).

In total, 21 interviews (lasting between 20 and 180 minutes) with 23 interviewees have been conducted between April and June 2021. The interviews were arranged as semi-structured expert interviews and/or biographic interviews. With 14 interviewees the interviews were conducted face-to-face, either at CUAS university campus (1) or in the companies (13); the other interviews were conducted online via MS Teams. 12 out of the 23 interviewees have a migrant background. All of them immigrated themselves from abroad, a third country, and thus belong to the so-called “first generation”. 14 interview partners are male, nine are female. Among the third countries to which they originally belonged are Bosnia & Herzegovina (5 interviewees), Afghanistan (4 interviewees), Turkey (2 interviewees) and Morocco (1 interviewee). Some of the interviewees have been naturalised in the meantime, hence they hold an Austrian or a German citizenship (e.g. because they lived in Germany for a while before moving to Austria).

In the following, the companies and interviewees are described in more detail:

- Company A is a one-person interpreting enterprise, located in the rural area of Carinthia. The company was found 2015 by its Moroccan owner, who immigrated for the purpose of studying translation and interpretation to Germany and 2009, after completion of his study, to Carinthia since he met his in Carinthia living wife. From the beginning, he wanted to work as an interpreter in Austria. Although, after obtaining the work permit for the interpreting
and translation business, it was hard to gain access to the market. The interview was conducted with the company’s owner (WP4ATK001).

- Company B is a one-person taxi business, located in the town of Villach. Its owner, with whom the interview was conducted (WP4ATK002), is born in Bosnia & Herzegovina and immigrated in 1992 at the age of 10 years during the war in Ex-Yugoslavia, as his father already worked in that region as a so-called “guest-worker”. After completion of his apprenticeship as a landscape gardener, he worked for about eight years in the hotel and gastronomy industry, before he became a taxi driver in his cousin’s mechanic and taxi business. In 2015/2016, he started his own taxi business.

- Company C is a construction office, a small enterprise with three employees including the owner. The company’s activities i.a. include construction planning, construction management and local construction supervision. The owner and CEO came during the 1990s from Bosnia & Herzegovina to Carinthia. His father already worked in Carinthia as a so-called guest worker and he and his family therefore visited Carinthia often. In the summer of 1991, he was also in Carinthia, but when the war broke out in the former Yugoslavia, he could no longer return. At first, he was an unskilled worker in the bricklaying trade, but later he was given the opportunity to complete an apprenticeship and the secondary technical school. After seven years as an employee in the construction industry, he set up his own business and has been self-employed for 13 years by now. The interview was conducted with the owner of the company (WP4ATK003) and his wife (WP4ATK004), who also immigrated from Bosnia & Herzegovina at the age of 17 years, now works in this company as CFO and is studying educational sciences at the same time. First, she did various jobs in the gastronomy, then completed an apprenticeship as a cook and later the Secondary School Vocational Certificate (Berufsreifeprüfung) as well as trainings in payroll accounting and bookkeeping.

- Company D is a gastronomic enterprise. Its owner (WP4ATK005), is of Bosnia & Herzegovina origin and came 1992 to Carinthia to visit his father, who already worked in a hotel. He decided to stay in Carinthia for family reasons and started working as a dishwasher in the hotel, where his father worked. In 1993, he left the hotel business and started his own business with chicken barbecue trolleys one year later. At the first time, he had no employees and was only strongly supported by his family, who worked with him.
Especially his wife (also from Bosnia & Herzegovina) has always helped him and is his business partner to this day. Hence, he brought the first employees to Austria from Bosnia & Herzegovina (his friends or relatives). He has been able to steadily expand his business success.

A further interview was conducted with his employee (WP4ATK006), who came to Carinthia in 2004 as she met her later Carinthian husband, who worked in Bosnia & Herzegovina. She completed a business school and worked in a bank. After immigrating to Carinthia, she worked in the Austrian branch of the bank, for which she already worked for in her home country. Since 2015, she has been working in WP4ATK005’s company as an accountant and payroll clerk.

- Company E is a large group enterprise, the world’s leading manufacturer of PVC stabilisers, located in the countryside of Carinthia. The company was originally a state-owned mining and lead processing company that later specialised in the production of stabilisers. Already at the end of the 1980s, the majority of the company was taken over by a metal corporation, and is now under Turkish ownership and management (since 2013), which regularly conducts business also in Carinthia. The company has subsidiaries in Austria, Australia, Brazil, China, Germany, Great Britain, Turkey and the United States.

In total, five interviews at the location in Carinthia were conducted:

- **Head of Human Resources (HR) Europe (WP4ATK020):** Born in Germany as a child of a Turkish guest worker family, she studied international management with focus on HR and worked for an airline in Germany and in Turkey, where she was the head of HR. In 2020, she moved with her family from Turkey to Carinthia and started her work with the company.

- **Global HR Manager (WP4ATK012):** She is of Carinthian origin, studied international business management and is with the company for eleven years, since she did her internship there.

- **Employee IT & infrastructure, network administrator (WP4ATK013):** He is of Carinthian origin, is working for the company for 20 years and started a study in information management.

- **Assistant to the management (WP4ATK023):** He was born in Carinthia and grew up trilingual (Spanish, Turkish, German) as his father comes from Turkey and his mother from
the Dominican Republic. Currently he is studying business & law and has been working with the company since February 2021.

- **Sales Director Europe (WP4ATK025):** He is a native Carinthian, completed his study in health care and nursing and started with the company in 1992. Since 1997, he has been working in sales and took over later the sales management for whole of Europe.

- **Company F is a social enterprise,** already existing for 65 years, which aims the **vocational and social integration of young people between 15 and 25 years.** It is a production school-like service company, which provides young people not only with basic technical knowledge in different occupational fields (gastronomy/catering, laundry, pottery, technical workshop, tailoring, creative workshop, vocational orientation), but above all with a positive approach to work and career. Their target group is very diverse, including e.g. young school dropouts as well as young unaccompanied minors. The facility cares for about 500 young people every year. The social enterprise is located in the city of Klagenfurt and two further Carinthian towns. In total, six interviews were conducted:

  - **CEO/managing director (WP4ATK014):** She is a Carinthian native, holds a PhD in social pedagogy. Since 2013, she is the managing director of the institution and a part-time professor for vocational pedagogy. Since 2018, she has also been the managing director of the association of social enterprises in Carinthia (Soziale Betriebe Kärnten), which offers services and products in line with the market while integrating long-term unemployed people into the labour market.

  - **Site coordinator, also responsible for vocational orientation & job coaching (WP4ATK018):** He is of Carinthian origin, started his career as a cook in a hotel and set up his first own gastronomy business at the age of 17. Later he worked as a temporary soldier. For the social enterprise he is working for eleven years. First, he worked as a trainer in the kitchen department and set up a catering and café, where the young people should gain work experience. Currently, he is responsible for the organisational development of the institution as well as for contacts with businesses and the placement of young people.

  - **Trainer in the field of kitchen and catering (WP4ATK019):** He is a Carinthian native, completed an apprenticeship as a cook and worked for several years in various gastronomic businesses. Today he works as trainer in the kitchen area.
- Three young male trainees: WP4ATK015 is 17 years old, of Afghanistan origin and arrived five years ago as unaccompanied minor in Austria; WP4ATK016 is a 23 years old Afghan, who arrived as unaccompanied minor at the age of 17 years in Austria; WP4ATK017 is an Afghan too, almost 17 years old and arrived about six years ago with his parents and his five brothers in Austria.

- Company G is a social enterprise, a network for international employees (focus on expatriates) and their families in industry and science in Carinthia. This social enterprise was found in 2009 due to the efforts of Carinthian industry and science companies that rely on international employees and whose ambition is to keep them in Carinthia. The company’s offers include information, advice, and networking activities, in order to facilitate migrants’ integration to social and economic life in Carinthia. The interviewees were:
  - CEO/managing director (WP4ATK021): She is Carinthian, has studied psychology, is the driving force in the company and has herself lived abroad for years.
  - Employee (WP4ATK022): She is born in Germany, studied Journalism and Communication Studies and holds a PhD. Before starting to work for the social enterprise, she worked for ten years in an international high-tech company, in different countries.

- Company H is a large group enterprise focused on research, development and production of semiconductors. The company was found in 1970 in Austria, about 3,900 employees from 70 different countries are working at the two locations in Carinthia. In total, the world leader in semiconductor solutions, is represented in 135 countries around the world. In total, about 46,700 people work for the company. The company focuses on personnel marketing to attract employees from all over the world as well as diversity management with an emphasis on generations, gender and internationality. Hence, the interview was conducted with the diversity officer in Carinthia (WP4ATK024) who is also responsible for apprenticeship training, who is a Carinthian native and working for the company since 2012. Before that she has been working at the integration department of a municipal administration and at the Public Employment Service.

- Company I is a hotel enterprise with two locations in the countryside in the near of Villach. In high season, there are about 100 employees. Nevertheless, the hotel offers a strong, family cohesion. Due to the closeness to the Slovenian border, a number of Slovenian employees are employed, but also Hungarians work in the hotel. Since the refugee crisis
the hotels participate in labour market integration projects and train apprentices. For its commitment in the area of integration the company was awarded the Integration Prize of the Province of Carinthia. The interviewees were:

- **Assistant to the management (WP4ATK026):** She is the daughter of the hotel owner and studied management of international business processes.

- **Apprentice (WP4ATK027):** Six years ago, he arrived as Afghan refugee in Austria. He participated in the TourIK project that found him the apprenticeship. Before he fled, he worked in a fabric dyeing factory.

- **Assistant to the hotel director & F&B Manager (WP4ATK028):** He grew up in Carinthia and attended a school for electrical engineering. As his parents run a gastronomy business, he came to the tourism industry himself. He has been employed at this hotel for five years.

In addition to the individual interviews, a **focus group** was conducted to focus the impact of migration on the economic and regional development of Carinthia. At the focus group, five representatives of the following institutions took part:

- Carinthian Business Settlement and Investment Association (Kärntner Betriebsansiedlungs- und Beteiligungsverband – BABEG) (WP4ATK011).
- Regional Management Hermagor (WP4ATK009),
- Carinthian Welcome Center, a department of the Carinthian Provincial Government and part of the Carinthian location marketing (WP4ATK007),
- Chamber of Commerce, department for foreign trade (WP4ATK010),
- Carinthia Industrial Association (WP4ATK008).

After analyzing the interviews conducted in Carinthia, three distinctive perspectives on the economic impact of migration were identified, which were subsequently grouped into three clusters in order to consider the specifics of each of them.
Given the complexity of the economic impact, the further analysis structure is based on these identified clusters and attempts to shed more light on the different impacts of migration per cluster at the micro (individual migrants/TCNS), meso (businesses) and macro (region of Carinthia and its rural areas) levels. A guiding overview of the most important topics per cluster and level, which are described detailed later in each chapter, is presented in a matrix.
The three enterprises in this sample are family enterprises since two or three generations, ranging from a micro and a small enterprise in the service sector to a medium sized enterprise in the secondary sector. The other two are non-profit social enterprises in the area of long-term care, and in the area of occupation and education programs. Despite different sectors and areas of responsibility all five enterprises are characterized by a specific attitude towards their employees. This attitude is based on traditional values managers expect from their staff and a distinct caring disposition of the managers towards their employees.

When talking about traditional values managers expect from their staff a high willingness to work, which includes satisfying performance, sufficient learning capacities, few absences, punctuality, diligence, reliability and also particularly related to employees with migrant background, high personal efforts in learning the German language. These characteristics are described by employers but also by employees as very important. Especially in the service sector but not exclusively, cooperation and the ability to be part of a team (“teamwork”) has also been mentioned to be of major importance. The manager of the long-term care facility summarizes this attitude in the following way: “We are team players, we only function as a team. Everyone recognizes if one is willing to work, supports and assists, contributes to the team or not. It does not matter where the person comes from” (WP4ATV001). The hotel manager goes even further, she speaks about the outcome of a collective value workshop with all employees in which they discussed about the importance of individuality versus teamwork. Employees concluded that collaboration in the team stands above recognised individual action or actions that are based on individual progress. The statement “ME and YOU lead to WE” is based on the understanding that “a value is actually only something, if also somebody else may gain something from it. If only the individuum profits, then it is no value” (WP4ATV005).
The communication and training of these values described above are also an important part in the vocational trainings of the socio-economic enterprises.

While enterprises are keen to get employees, who work according to these values, they also feel themselves the responsibility to support them and respond to their needs in different areas. This was also reflected in times of COVID-19, when information, testing, or hygiene stations became of great importance, but concern for their employees became particularly clear at the beginning of COVID-19, when transportation of employees to countries of origin were far from secure. “Some staff members did not want to travel back to their home country, partly out of fear, and some went home before the end of their shift. The trains were extremely full and many were afraid that they would not get home anymore. For those who do not have their family here, it was a very stressful situation.” (WP4ATV005)

Responsibility towards employees also includes an active approach in mediating in interpersonal conflicts and conflict management: (If there are disputes between different nations), “it is quite clear that we would find a solution, generally (...) If two disputants do not understand each other, this has to be clarified and we will find a solution” (WP3ATV008). In a small company, like at the hairdresser, conflicts can be prevented and solved very informally. The manager invites his employees occasionally for an after-work drink, which “gives us the opportunity to talk about certain things and resolve tensions. In this way, more serious conflicts can be prevented” (WP4ATV013).

Because of the general shortage of labour force in the whole region and in particular in the respective branches of our interviewed enterprises where managers compete for (skilled) workers, the pressure to provide some incentives that employees start or keep working for the enterprise is high. Good working conditions, a friendly atmosphere and smooth cooperation are considered as a good baseline to encourage employees to stay in the particular enterprise. The manager of the care facility put it in the following way: Individual attention to staff and family management of the nursing home is important for a low turnover. Otherwise, it wouldn’t work at all. I try to capture the needs of the staff and show them a bit of individual attention (WP3ATV003). Earlier in the interview he explained that “it is quiet when it comes to job applications”.

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If employees present themselves well at the beginning (e.g. at the hairdresser’s salon where the manager appreciated the politeness of the young refugee aspirant very much), also minor (or almost non) German knowledge is accepted. Such stories were told despite of the fact that in almost all interviews the basic knowledge of the German language is again and again reported to be a prerequisite for employment and of highest importance by employers and employees. Accordingly, all employers try to enable at least the attendance to language schools, which has to be coordinated with working hours, particularly in the service sector. But most employers go further, they help in organizing class-attendance, in few cases they also support it financially, in one case the manager even helped with tutoring classes. It can be assumed that the smaller the company, the closer the contact and thus also the personal commitment. However, language training and practice of the employees runs mainly via colleagues, volunteers or local friends. In the nursing sector managers also help with the recognition of qualifications and further education, which is a very important topic in this specific occupational field. In general support by the manager or administration of the enterprise includes also administrative procedures, like pension applications (for migrants as well as for locals), or support in finding or conveying a suitable accommodation if needed.

Sufficient knowledge of the German language, including knowledge of the technical language, has been a recurrent topic during the interviews by employers as well as employees. If language knowledge is not elaborated “it is hard work and demands nerves” (WP3ATV009) by the employees, but also by the supervisor or team members as the HR manager of the construction company admits. A lot of patience is needed, but if someone is willing to learn, patience expands (WP3ATV0011). A bricklayer who came as young asylum seeker from Afghanistan adds “at the beginning I had difficulties with the language since there were many technical terms that I did not know. But after some time, I managed…”(WP3ATV010).

Employees are eager to meet the expectations of the employer, albeit many of them report that it is a tough challenge to do the vocational training and/or working hours and learn (technical) German at the same time. Moreover, the lack of German is sometimes met by xenophobic attitudes and prejudices by team members and clientele, which was reported by one employee. Particularly with regard to the nursing sector, the recognition as qualified nurse needs not only B2 language
level, but a pronounced vocabulary in technical language. “With nursing research and nursing science, B2 was still not enough. It took another year to get the exam at nursery school (after language class), the terminology translated with google translator and coursebook (...) no rosy times”\(WP4ATV003\).

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**DIVERSITY OF EMPLOYEES**

In the frame of this general attitude social, cultural and ethnic diversity is accepted as a fact, and has to be dealt with in the best possible way. Managers underline that the need for employees, who are able and willing to work, is immense: “We are glad about every person who wants to integrate in our company, values their job and wants to do a good job” (WP3ATV001), therefore the focus lies on an obliging and reliant pool of personnel with enough qualification for the actual job, regardless of the ethnic background. Furthermore, diversity is not only considered connected with the country of origin, but also with age, phase of life (with, or without (small) children), challenges like criminal past, drug addictions etc. Particularly social enterprises deal with persons who are long-term unemployed and do not fit into the before mentioned working attitudes (anymore) because of various reasons and thus have a broader understanding of inclusion and the diverse needs of their clientele.

Within boundaries employers are open to changes in the culture of doing business. They show great flexibility when it comes to working hours and individualized daily, weekly or monthly attendances (e.g. with regard to combining language classes or participation in associations with working hours). There are examples of employees who only work from spring to autumn to be able to stay in their country of origin (e.g. Brazil) during winter time, in other cases employees make a deal with their employers to have regular short holidays to visit their families. Certainly, the pandemic made it very difficult in this regard. “My daughter was always with me during the school holidays, and I agreed with my boss that I can arrange my overtime and holidays so that I could see my daughter in Romania for a fortnight every two to three months.” (WP4ATV002)

Another example is the hotel manager who informs herself about the specific culture and background of newcomers, to better understand their needs and behaviours. As good cooperation
is very important she seeks to include a former alcoholic to social company activities as well as employees with little German knowledge to training sessions. Also, cultural and religious diets are respected: “At the Christmas party we always have two menus. One menu without pork (…) This is very clear in our company” (WP3ATV008). It can be deduced, that the clear attitude of the management results in a cooperative mode of behaviour where differences in cultural and religious practices tend to be accepted by the workforce (including locals) “as good as it goes” (WP3ATV009) or at least they are not emphasized or highlighted in a discriminating way.

Flexibility and the focus on good collaboration between employees and between employees and management proved also successful in the pandemic. All enterprises reported that because of good communication and teamwork they were able to handle the challenges of the pandemic (cases of illness or quarantine leading to a high amount of working hours for the other employees, ever changing short work regulations and obligatory arrangements, organization of workforce etc.) very well and could even strengthen the performance of the enterprise (construction sector) and the capacity for improvisation and teamwork. The manager of the long-term care facility described it in the following way: “It was an exceptional situation, more focused on the important things. It brought the employees closer together, “together we can do it”. It was beneficial for the team building because it distracted from other small rivalries, which are always present. From the point of view of the community, it was rather beneficial” (WP3ATV003).

However, different cultural backgrounds and knowledge of different languages are not perceived as an asset per se, as the following statement will show: “Our customers are also of different origins. There are few situations where the employee’s mother tongue is used, but I don’t like that. The company language is German” (WP4ATV013).

Albeit everyone’s individuality is respected or even appreciated, local/regional norms and the predominant values mentioned above are the general benchmark for the management of human resources. Some of them seem to be non-negotiable, as the importance of teamwork particularly but not exclusively in the caring sector, or reliability as well as the willingness to work. These may refer to values, which proved efficient and helpful for the respective working process in the enterprise. In this regard local organizations try to influence (migrant) employees and create
specific working conditions, within which employees are encouraged to adapt themselves and fit into this value system, e.g. by good communication of values and working rules as well as flexibility towards the specific needs of employees.

CARINTHIA

The following Table 3 sums up the identified key topics mentioned by migrant entrepreneurs, social enterprises and international companies which are linked to the micro, meso and macro level of the analysis. The identified key topics are described in the following in more detail.

Table 3: Cluster analysis matrix on business change and innovation

<table>
<thead>
<tr>
<th>Level</th>
<th>Cluster</th>
<th>Migrant entrepreneurs</th>
<th>Social enterprises</th>
<th>International companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro level</td>
<td></td>
<td>Recognition of achievements &amp; qualifications</td>
<td>Recognition of potentials and existing resources of migrants</td>
<td>New positions are being filled with internationally-oriented staff</td>
</tr>
<tr>
<td>Meso level</td>
<td></td>
<td>Potentials of innovation</td>
<td>Further development of the range of services</td>
<td>More open, supportive corporate culture</td>
</tr>
<tr>
<td>Macro level</td>
<td></td>
<td>Potentials of innovation</td>
<td>Positive impact on Carinthian society through migrant's labour market integration</td>
<td>Internationalization of Carinthian enterprises resulting in a variety of changes</td>
</tr>
</tbody>
</table>

Source: CUAS.

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MIGRANT ENTREPRENEURS

Potentials of Innovation of Migrant Enterprises

As described in detail below, the migrant enterpriser and freelancer are innovative in different ways. Nevertheless, the innovative aspects of their businesses vary. Even if the process of recognition of his qualifications was difficult despite his graduation at a German university, WP4ATK001’s strength is, that he is the “only sworn interpreter for Arabic languages in Carinthia, which is why, they have to request me. It is also an advantage for the Arabic community in Carinthia. (...) Their interpreter is nearby.”

Hence, this unique feature has an impact at the micro and macro level and is an advantage for his work and for his clients. Especially for him, the COVID-19 pandemic proofed the independence of the company location. Before the pandemic, clients and partners were skeptical about his offers for digital interpretations. With COVID-19, they have become routine: “There were people laughing at me. People told me, that I am crazy. Why should people, who live in Hamburg or Berlin, (...) request you in Austria. (...) But now this is the case.” (WP4ATK001)

Digitalization increased since COVID-19 and influences the macro level (cf. WP4ATK003, WP4ATK007, WP4ATK008, WP4ATK009). WP4ATK008 speaks about unbelievable steps of development, that are done, due to COVID-19. Digitalization is now implemented in many working processes, which need to be further developed after the pandemic.

WP4ATK003 was able to open the market for Carinthian construction companies to Ex-Yugoslavia. Additionally, he inspired Slovenian investors for investments and construction projects in Carinthia. These chances for growth, innovation and development can be explained by his migration-based multilingualism, which is an advantage for his company and the whole region. In this spirit, he also became the first and only municipal councilor with a migrant background in Villach and the migration spokesperson at the Chamber of Commerce, a function that did not exist before him and is intended to help migrants to become successfully self-employed.
WP4ATK005 is an innovative entrepreneur due to his endless ideas and ways of expansion. He started his career as a dishwasher in a hotel and ran a chicken barbecue trailer. Today WP4ATK001 expects: “I think he is a millionaire [...] he runs businesses everywhere in Villach.” After years of expansion, WP4ATK005 owns 20 smaller and 20 bigger chicken barbecue trailers, a restaurant, a hotel and a coffee roaster with many employees from different countries.

**Recognition of Achievements of Migrant Entrepreneurs & Qualifications of Migrants**

According to WP4ATK005, you have to be “brave”, to be successfully self-employed. You have to be a businessman with many ideas and no doubts. You have to develop and improve. WP4ATK005 always wants to improve and to develop his businesses, which he believes is a difference to the Austrians. His aim is to expand from Carinthia to the whole world and constantly implements new ideas. WP4ATK005, WP4ATK004 and WP4ATK003 agreed that migrants have to over-achieve, to be recognized, accepted and successful. WP4ATK003 was extremely ambitious to prove his skills. For example, German language skills are requested for many jobs. Hence, he was highly motivated to learn the language fast. His wife, WP4ATK004, managed her education, her job, the family at the same time. Those efforts at the individual level effect the meso level. WP4ATK026 and WP4ATK028 confirm that the young refugees, who do their apprenticeship there, are more committed than Austrian apprentices, as WP4ATK003 also excepts. One the one hand, they are thankful and glad about their chance to learn a profession. On the other hand, the Carinthian tourism and the gastronomy sector suffer from the lack of skilled labour (cf. ORF Kärnten, 2018 & Die Woche, 2019), which increased since the reopening after the COVID-19 lockdown (cf. Bruckner, 2021 & WP4ATK009). The branch does not meet the ideal of “work-life-balance” and the model of reduced working hours (cf. WP4ATK026). Hence, the young refugees in the tourism have an impact at the macro level.

Almost all interviewed migrant entrepreneurs started at zero. They came to Carinthia without speaking German and started to work as unskilled workers in the gastronomy or work on a construction site in rural areas of Carinthia. They got a chance, because someone offered them a job and recognized their potential. WP4ATK005 emphasizes, that migrants need access to work,
even if they start to work as a dishwasher. Those, who are motivated and have potential, have to be supported. He gives other migrants a chance to prove their competences and will to perform.

Unfortunately, access to the labour market and recognition of qualifications is limited for migrants in Austria (cf. Stadler & Wiedenhofer-Galik, 2011; WP4ATK001 & WP4ATK002). As the labour market entry is handled too restrictive, it should be relieved (cf. WP4ATK003). The recognition of qualifications is described as a main barrier for labour market integration in Austria which influences all levels. According to Biffl (2019), about 66% of university alumni are overqualified for their jobs. For example, WP4ATK001 graduated at a German university, but his qualification was not recognized in Austria. Hence, he worked in jobs, where lower skills were requested, before he became a sworn interpreter in Austria. On the other hand, WP4ATK002 only got the work permit for the agricultural sector, because he was not a recognized refugee, and started an apprenticeship as a landscape gardener.

**Support & Information for Migrant Entrepreneurs**

To become successful, the interviewed self-employed migrants asked for help. WP4ATK001 is sure, that those, who ask the Austrian public services for help, succeed. It is all about correct information and contact with authorities. He and WP4ATK003 recommend the Chamber of Commerce with different services for freelancer and entrepreneurs for free. Focus group participant WP4ATK010, organizes a mentoring-project for migrants, where mentors i.a. consult migrants in the foundation of an enterprise at the Chamber of Commerce. WP4ATK002 tells about different experiences with Austrian authorities and complained about the injustice in the interview: “Why did they refuse the support, others were allowed to take?” He asked his taxi driver community for help, which is the opposite of what WP4ATK001 and WPATK003 recommend. WP4ATK002 complains also about racist treatment at public authorities, is disappointed and consequently mistrusts them. The migrant entrepreneur indicates a case of institutional discrimination. Even though it is an individual experience of a person sensitized for this topic, discrimination of migrants is institutionalized in many ways, like rights, structures, practices, etc. Many of these are part of trivial actions in i.a. authorities and enterprises (cf. Gomolla and Radtke, 2009).
Practical Approaches in Social Enterprises

Due to the refugee flow of 2015 Company F and Company I implemented new practical approaches, but in different ways. Company F mentioned previous professional experiences of many Afghan refugees mainly in tailoring. In consequence they were able to further expand the tailoring area. Building on this, they were able to establish their own yoga label, where the migrant youths could be very well integrated and they even made it to a trade fair in Cologne with this label. It was important not to justify the sale of the products with pity or similar motives as a sales argument, but to convey that these young people have an important place in society and are doing something valuable (WP4ATK018). It is of irreplaceable value for the young (migrant) people to be able to work with real customers. WP4ATK014 describes Company F as a business, and they run this business with the young people and thus they prepare them for the world of work. They learn to be punctual, to listen to work steps and to implement them (cf. WP4ATK014). When young people get into employment, a lot changes and they understand that work is not something bad (cf. WP4ATK018).

In addition, Company F recognized special learning needs of migrant clients, especially with unaccompanied refugees. WP4ATK019 notices how grown up they already are and that they know exactly what they want and hence only do what they want. Hence, a well experienced training staff is obligatory and Company F pays attention to recruit well experiences professionals which can also serve as role models. As the training groups comprises different nationalities, they offer team trainings to boost the social cohesion. In total, the migrant share was described as very motivated (cf. WP4ATK019).

In case of Company I, they restructured the recruiting process of apprentices and became a partner in the labour market projects TourIK and A:Life (cf. WP4ATK026 & WP4ATK028). Currently five refugees are in an apprenticeship and former apprentices with refugee background become professionals and part of the permanent staff in the hotel (cf. WP4ATK028). The labour integration of young refugees is a project that the hotel director takes closely to heart. That is why Company I supports the young refugees in the procedure for granting asylum. Additionally, to the support in
the asylum process and daily life they also got mental support of the whole staff. All these aspects accelerate social inclusion and professional integration.

The aim of Company G is to create better conditions for international employees and their partners and families. The trend of international employees in companies is increasing, says WP4ATK021. Companies need to be open-minded regarding internationality and recognize its importance (cf. WP4ATK021). Hence, Company G and the International School were founded due to the realization that the partners/spouses who come with the international employees also need adequate jobs and their children need to be educated properly to further support the positive regional development.

**Emergence of New Services**

First and foremost, Company G is about creating networks, providing advice, guidance and information. This results in different formats to meet the needs of the clients and to create new spaces of encounter between migrants and locals (cf. WP4ATK021). As a first step, an individual initial counselling takes place in each case in order to be able to adapt the measures precisely, as WP4ATK021 explained. This is to clarify whether the clients are looking for employment, self-employment or training, as well as what qualifications they have and which paths and possibilities there are to achieve what they are aiming for. "The clients come from 80 different nations and speak 56 different languages. No categories can be formed from this diversity, which is why individual support is needed.” (WP4ATK021)

**Competences in Social Enterprises**

According to WP4ATK021 from Company G, there are colleagues with different nationalities and languages. Generally, they communicate in English or German, but in total they can communicate in ten languages. This is very helpful in the first contact with clients (cf. WP4ATK022). The diversity of languages in the team also came in handy during the pandemic, as relief talks could be held with clients in their mother tongue, especially with those who had not been able to travel to their families in their country of origin for over a year (cf. WP4ATK021).
WP4ATK014 is opinion is that the training staff should, above all, be role models for the young people, preferably those who have also completed an apprenticeship themselves. Of course, they also have highly qualified professionals, because the most important thing is to enjoy working with young people: "You have to give them a new chance every day." (WP4ATK014) Company F also once had an employee with a migrant background who was an extremely good role model because he was a bricklayer and later earned a PhD (WP4ATK014). WP4ATK019 finds the work with young people very varied, especially because of the migrant participants, and explains how this aspect also changes his daily work: “[...] working with young people here, you never get bored. In addition, there are the cultural differences, which also have an influence on the cooking because of Ramadan, no pork, etc.” (WP4ATK019)

Company F is aware of the increasing internationalization through the migrant youth and wants to promote this within the organization as well. There are also regular training sessions for the trainer team in this direction: “[...] We currently have one on the topic of ‘gender and diversity’” (WP4ATK019)

**Experienced Challenges from Social Enterprises in Labour Market Integration**

Both organizations (F and G) aim the sustainable labour market integration of newcomers. WP4ATK022 sees the biggest challenge in the German language, which is a hurdle for many clients. Company G always accompanies its clients to the authorities, especially when they first present themselves there. This “accompanying” programme aims to change, defuse and enable learning from both sides, because all too often misunderstandings arise due to language difficulties, and there exist prejudices on both sides. Many clients report negative experiences in this regard and experience the lack of German language skills as a hurdle (cf. WP4ATK022).

WP4ATK021 recognizes another major challenge in the recognition processes. This process has its pitfalls because in Austria much is regulated by chambers. For example, the medical association requires a German level of C1 for doctors and C2 for psychologists. There are also structural problems, especially regarding young people looking for work. Potential would be
wasted here, which would be important especially for Carinthia, which is affected by strong emigration (cf. WP4ATK014).

INTERNATIONAL ENTERPRISES

Internationalization of Carinthian Enterprises and Resulting Changes

The interviews with members of Company E and Company H show that current globalization and internationalization trends have also an impact on company’s processes that are located in rural areas but compete on the world market. As the example of Company E shows, efforts have been made to ensure that this international orientation is reflected in the workforce as well. For example, following the takeover by the large Turkish corporation, some new positions are being filled with internationally-oriented staff for the site in Carinthia, whereby a ”global perspective” is even seen as particularly advantageous (cf. WP4ATK020; WP4ATK012). Therefore, the company is specifically looking for new employees, who not only have diverse language skills (WP4ATK023), but in the best case have already been able to gain international work experience and are particularly familiar with the cultural characteristics of certain sales markets and come from different countries (cf. WP4ATK025). This represents a significant change, also in the corporate culture, as staff used to be composed almost entirely of Carinthian natives (cf. WP4ATK020; WP4ATK013; WP4ATK012), and now the proportion of employees coming from abroad is growing considerably in a short period of time (cf. WP4ATK020).

As WP4ATK024 reported, it is even essential for this enterprise to actively recruit skilled employees from abroad and to win them for the location in Carinthia, as they bring knowledge and experience, especially in the highly qualified area, to cover the demand that can only be met to a limited extent by local skilled workers. With their knowledge, those foreign employees are seen as a highly valuable and are practically irreplaceable. Nevertheless, such changes also bring challenges, especially if, as in the case of Company E, it concerns a location which has for a long time employed mainly local personnel. It is reported by WP4ATK025 that some of the long-serving employees had reservations and concerns about the takeover by the Turkish group, partly due to prejudices. In fact, major personnel restructuring was carried out, which the company considered
necessary (cf. WP4ATK020; WP4ATK012), and some of the employees either left or were parted with, even if this meant that they moved to the competition (cf. WP4ATK025; WP4ATK020). However, it seems perhaps surprising that the restructuring and associated changes, both in terms of personnel and processes etc., are perceived as very positive by all interviewees, who partly work for decades in very different areas of the company (cf. WP4ATK012; WP4ATK013; WP4ATK020; WP4ATK023; WP4ATK025). For example, new programs for personnel development are initiated (cf. WP4ATK012) and it is even noted that teamwork has improved significantly, and corporate culture has become more tolerant, collaborative and open (cf. WP4ATK025). This is also reinforced by the fact that members of the Turkish Management Board are regularly on site in Carinthia and maintain direct contact with the employees (cf. WP4ATK012; WP4ATK013; WP4ATK020; WP4ATK023; WP4ATK025).

**Development of New Supporting Services and Measures for TCNs**

The creation of new offers, which takes place in both Company E and H in order to continuously adapt to the needs of foreign employees and to support them in "arriving" in Carinthia, was described as particularly positive. For example, both companies work together with Company G, and offers a wide range of services for TCNs and EU-citizens, ranging from assistance in dealing with public authorities to the translation of official documents and the provision of spaces for exchange and socializing. Company H also financially supported the International School, offers an international kindergarten, a dedicated relocation service aiming at supporting TCNs with all of their need when relocating to Carinthia and many training opportunities (cf. WP4ATK024), while Company E is also in the process of developing a comprehensive human resources development concept and is increasingly offering language and training courses for its employees (cf. WP4ATK020; WP4ATK012; WP4ATK023).
LOCAL ANCHORING AND PARTICIPATION IN NETWORKS

In all enterprises but also during the interview with the self-employed migrant the local anchoring and the link to local and regional networks are described as being most important, albeit from different perspectives. The self-employed caretaker for example, relies strongly on his local personal connections when it comes to his work assignments. Because he is well connected with his immediate neighbourhood and through his participation in the community soccer club, he is able to get assignments and small jobs that provide him a livelihood which would not be possible otherwise.

The hairdresser salon on the other hand profits from his well-established location in the centre of his municipality where he also provides other small services to the community (lottery, office supplies etc.). The manager points out that rural municipalities are less anonymous, he has known many customers for years and in many cases the relationship is personal and informal. He perceives this as a particular asset and would never change his location (only expand the business). “There is no anonymity in rural areas. I appreciate this 90% of the time, and 10% I hate it. You can go wherever you want, people just know you. While in the city you have more of a chance to go somewhere and be actually anonymous and do whatever you want. That’s the difference” (WP3ATV013). The manager of the hotel is particularly proud of being very well connected with the local community and various associations (with regard to tourism), of which she is member of the local council and regional head of Austrian hotel association. Although the hotel is a family enterprise in second generation she originally comes from another valley, a fact that seems to have made her more sensitive to the perception as newcomers as she tells us “I am also not originally from the valley (...) My mother is from Germany and that was not always easy as a child because Germany was perceived as a foreign country” (WP4ATV05).
Besides, the whole family is well connected through local and regional associations and volunteer work, the hotel offers various activities for the local community, for example, the hotel pool is also open for children’s swimming activities, there are sauna sessions for fire brigade members, senior citizens’ afternoons without compulsory consumption, St. Nicholas celebrations with Caritas, etc. However, the hotel is not a typical local bar where you have a beer at night, they rather perceive themselves as regional top service provider well integrated in the local institutional and company structure, feeling also high social responsibility towards their personnel. The maintenance and provision of regional structures such as long-term care facility for elderly people in more remote areas is based on a political decision of the Federal state. “There is a basic commitment of the policy to maintain the regional structures” (WP4ATV001). In line with this general understanding both managers (of the umbrella organization as well as the manager of the specific care facility) are of the opinion, that small care facilities are of high importance for rural areas. They offer the opportunity for elderly people to stay close to their homes, which may simplify to stay in contact with their families. Additionally, such facilities are important local employers and increase the regional added value (for example by buying regionally). Due to their work in the respective care facility and with the help of the mayor at least three families (from Hungary and from Eastern Germany) have settled in the municipality. Therefore, local facilities are able to stabilise or even improve local and regional health services (with doctors and/or physiotherapist) and contribute in the long run to a revitalisation of regions who deal with outmigration. Before the pandemic, the manager of the care facility has been in contact (two times a year) with other relevant health providers of the region including residential and nursing home, home care, mobile social services and the local doctor, which made cooperation and adaptation to local needs a lot easier. The managers of the construction enterprise perceive their contribution to regional development and social responsibility in particular through their activities with regard to young people and apprenticeship. One of the managers is co-founder and representative of the regional association “economy in the region” as well as the cooperation “apprenticeship in the region”, a joint activity of regional enterprises, which organizes events, trainings and projects particularly adapted to the interests and needs of apprentices in the region, the national background is thereby of no importance. The HR manager explains: “this starts with the marketing of apprenticeship in the region, i.e. large job-apprenticeship fairs, and continues with the support of apprentices, through events, trainings, courses, tutoring. The aim is to make apprenticeship in the region
attractive and to secure it” (WP3ATV009). All 28 apprentices of the construction enterprise are (strongly) encouraged to attend to these courses. The main aim of the organisation is to promote apprenticeship in the region particularly for young people with less favourable background conditions and to enhance the pool of skilled workers in the long run.

This well perceived local and regional connectivity highlighted by the managers of the enterprises has to be considered in the frame of the manageable size of the social space in a rural and mountainous environment, a characteristic, which has been mentioned by several studies before (e.g. Glorius 2021, Gruber 2013, Schader Stiftung 2011). With regard to our research interest of how rurality plays a role in the local economic development and the participation of migrants, several implications may be of interest:

- The continuously articulated awareness of the limitation of the local work force. There has been a need for migrant work force since long, already going back to the many generations before. Migrant employment is thereby not a scarcity or a competition for “the best heads” but rather a necessity when it comes to the enterprises’ stability and development.
- The feeling of social responsibility and the high caring disposition may result from a paternalistic approach towards employees. Actually, one manager explicitly compared the enterprise with a large “extended family” while others made a point to refer to their enterprises as family enterprise.
- The good connectivity in local and regional networks, and even leading position in regional associations of the managers, may also lead to high social pressure regarding social interaction with employees. Managers may feel obliged to run their enterprise in compliance with the general values and attitudes of the region.
- Several managers mentioned the importance of relying also on a local pool of employees, for example the managers of the care facility and the hotel are content that 50% of staff is from the regional surrounding. One assumption may be that to keep reputation within local and regional networks (who are strongly dominated by locals) it is of high importance to provide employment also for locals. The fact that locals also accept jobs in these enterprises may be seen as an indicator for good working standards.
Table 4 gives an overview on identified key topics for community and territorial impact on micro, meso and macro level mentioned by migrant entrepreneurs, social enterprises and international companies. All identified key topics are hereafter described in more detail.

**Table 4: Cluster analysis matrix on community and territorial impact**

<table>
<thead>
<tr>
<th>Level</th>
<th>Cluster</th>
<th>Migrant entrepreneurs</th>
<th>Social enterprises</th>
<th>International companies</th>
</tr>
</thead>
</table>
| Micro level | ▪ Identified advantages of Carinthian rural areas for immigrants | ▪ Possibility of co-creation and participation  
▪ Opportunity for trauma processing and socialization | ▪ Demand for more flexibility, willingness to travel/commute and language skills in potential employees |
| Meso level | ▪ Promotion of internationalization  
▪ Support and information for immigrants | | ▪ Shortage of skilled workers causes companies to specifically recruit personnel abroad |
| Macro level | ▪ Advantages of Carinthian rural areas  
▪ Future perspectives | ▪ Development from a welcoming culture to a stay culture | ▪ Cross-regional shortage of skilled workers  
▪ Increased internationalization of the workforce |

Source: CUAS.
MIGRANT ENTREPRENEURS

Advantages of Carinthian Rural Areas

"A stranger only remains a stranger until you get to know him." (WP4ATK003) An important aspect for migrants is the chance for integration, at the micro level with a high impact on macro level. Austria should become their home and should feel like home. If people from different countries, with or without migrant background, meet each other, get in contact, talk and exchange, prejudices can be reduced. The color and the country of origin become less important. Racism and discrimination reduce, according to WP4ATK002.

Nevertheless, racism exist, as the example of a migrant taxi driver like WP4ATK002 shows, when customers do not accept him, but prejudices can be negotiated, when people talk to each other. The young refugee tries to “avoid contact with such [racist] people, because I hate it” (cf. WP4ATK027). WP4ATK001, WP4ATK003 and WP4ATK004 know about the need for social integration at individual, micro level. Especially WP4ATK001 mentioned that getting in contact in rural areas is quite easy and families do not have to worry about their children, while they are playing outside. In rural areas, they are safe and have many possibilities to spend free time. WP4ATK002 and WP4ATK005 love the landscape, mountains and lakes, and to be surrounded by “good people” (cf. WP4ATK002). WP4ATK027 appreciates that Carinthia is small and that there are not many people. He prefers Carinthia to Salzburg or Vienna and wants to stay in Carinthia. It is quite silent, what he favors.

Even though their work load is high, people appreciate and focus on a better work-life-balance in Carinthia. WP4ATK007s clients, who return(ed) to Carinthia, especially emphasize their way back to an improved balance between responsibilities at work and at home. Further mentioned advantages of Villach and its rural areas are the low rental charges, the low fix costs and the existing infrastructure.

Future perspective

WP4ATK009 also reflects in the focus group on the need for synergies between urban and rural areas in Carinthia. In the Carinthian towns and only city, there is not much living space left, while in rural areas there is enough space. If urban and rural cooperation increase, both regions

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get the chance to develop. Since COVID-19, flexible working situations increase, which can also be a chance for rural areas.

WP4ATK003 thinks about “green jobs”, which may prevent emigration of rural areas and may reduce oscillation, in this context. “Green” economy and development is requested in the future, in order to offer future perspectives for young people in Carinthia. WP4ATK003 describes Carinthia as country of industry and tourism, but has to increase its sustainability and focus on regionality, which is also focused by WP4ATK005. The Alps-Adriatic-region has to be boosted, too. Such steps of development are identified as mandatory, because Austria and Carinthia are in the need of immigration and international skilled workers. “Austria was and is a country of immigration” (WP4ATK003), but high skilled migrants should be attracted and migration has to be promoted. Hill (2019) suggests to rethink migration as movement and movement as knowledge. Hence, the future should focus on the whole society with a multiplicity of lifestyles.

SOCIAL ENTERPRISES

Impact of Social enterprises for Migrants and Carinthian Society

According to WP4ATK014, Company F makes a very important contribution to Carinthian society. “20% of the young people at the location are very difficult. If they were sitting at Heiligen-Geist-Platz [central square in Klagenfurt], many people would no longer feel comfortable.” (WP4ATK014) WP4ATK018 points out that about 60% of their target group are young people with migrant background. Currently, most of them come from Afghanistan, Syria and Bosnia. Company F takes care of these young (migrant) people, counsels them, and gives them the prospect of vocational training at Austrian level and tries to find a job where they can stay (cf. WP4ATK018). “If you look at it in economic terms, what would otherwise be lost to society, it has even more significance.” (WP4ATK014) This subjective assessment of the economic benefit of migration on the Carinthian labour market, but also the preconditions for enabling education and work for migrants, can be supported by the study by Biffl (2011), in which it is explained that appropriate framework conditions are needed in order to be able to utilise the existing potentials of migration for the Austrian labour market needs.

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Labour market needs

The existing shortage of skilled workers in the Carinthian gastronomy does not surprise WP4ATK018: “The working hours and the pay are not good [...].” WP4ATK014 honestly explains that their young trainees cannot completely cover the labour market needs in Carinthia. They rather fill needs in areas like retail, catering etc. They usually cannot fill needs in the field of digitalization or technology, as support has rarely taken place here (WP4ATK014).

WP4ATK021 generally sees a high potential of migrants, especially in view of demographic developments. Migrants should increasingly be seen as an opportunity and resource in Carinthia. But spaces must be created to use the potential. “Let’s ask people what they can do and let them do it,” suggests WP4ATK021.

“No matter which countries the young people come from, the economy needs workers so badly that you can’t make any distinctions and you’re not allowed to. This is no longer in line with the times.” (WP4ATK014)

Labour market integration of Migrants in (rural) Carinthia

WP4ATK018 reports that the biggest placement problem is often a lack of information and knowledge among the young people about what occupational profiles there are and why he/she should work at all. “They often don’t know what the ‘labour market’ is, they are in an institution that was recommended, have to do something to get money and insurance, but don’t really understand what they are doing here.” (WP4ATK018) In addition, adolescent TCNs who come from war zones are expected to integrate quickly into a vocational system without being able to neither process trauma nor socialize. “These youth often have not had time to learn how to behave in a social structure. That makes it very difficult. The system demands that they find a job quickly and be happy with that.” (WP4ATK018)

In Company F, the proportion of young people from the urban part is very high. Estimated according to WP4ATK014 70-75% urban and about 30% percent rural. As a result, they hardly place in the rural areas. Although jobs can be found quickly there for the youth as there is a higher
demand than in urban areas (cf. WP4ATK014). According to WP4ATK018 he could immediately place ten carpenter apprenticeships with young people in rural areas, but the problem is transport and accommodation (cf. WP4ATK018).

Company I does not have this problem, even though they are located in a rural area. They offer staff apartments. Hence, the young refugees are socially integrated in the hotel, too (cf. WP4ATK026). The only problem is, as long as they are not 18 years old, they have to remain in the official assigned accommodation for refugees, when they have free days. As soon as they are 18 years old, they are allowed to stay in the staff apartments, permanently. Additionally, the hotel offers to support them in apartment-hunting (cf. WP4ATK028).

Need for Action

WP4ATK021 stresses the enormous importance of good jobs for migrant partners. However, she also emphasizes that integration into the labour market is only part of the story, and that the private and social environment also plays an important role in increasing the chances of families staying. Carinthia should change the way it looks at itself and not only perceive itself as a tourist region, because people also come to stay. According to WP4ATK021, the Company G is always in good contact with other regional companies and knows what is needed. It is about developing a stay culture in addition to a welcome culture. It is important to create an international awareness, expand the cultural offer and show interest in the people, their language and their culture. Co-creation should also be made possible, because people want to be able to contribute. This is an enormous resource and an important aspect to ensure that people stay in the region (cf. WP4ATK021).

INTERNATIONAL COMPANIES

Changing Demands on the Carinthian labor market

Austria, and Carinthia as the Federal state with the worst forecasts regarding population development (cf. Statistik Austria 2021), is facing a severe shortage of skilled workers (cf. Wirtschaftskammer Österreich 2021). While at the moment finding workers for areas such as
production or logistics etc. is less of a problem, the situation becomes more and more difficult as soon as it comes to filling positions in the higher and highly qualified areas. As WP4ATK020 explains, they were faced with previously unknown problems when attempting to recruit personnel for certain positions in Carinthia.

As WP4ATK020 explains, recruiting in Carinthia is confronted with previously unknown problems. This is where one really notices a big difference between rural areas and larger cities. Moreover, WP4ATK024 reports that it would be absolutely impossible to cover the demand for employees with local individuals, because especially in the technical area there is a big shortage of skilled workers. However, WP4ATK024 positively emphasized the apprenticeship program at the Villach site, which thus tries to train young skilled workers itself. For several years, Company H takes in and successfully trains young people with a refugee background almost every year. Also, positively highlighted was the work effort of young TCNs compared to young workers from Carinthia (WP4ATK024). Successful collaboration and the associated exchange of communication in international teams is also becoming increasingly important. For this, however, it is also indispensable to have personnel with the necessary language and cultural skills (cf. WP4ATK020; WP4ATK025; WP4ATK023). WP4ATK023 notes that there is actually great potential in Carinthia, but that it is rarely used. In Carinthia, all higher and vocational schools place emphasis on teaching several languages but these skills are hardly used so far or only in activities in the tourism sector, whereas with strangers the attention is so much placed on the fact that they are proficient in German, that one often does not appreciate the added value of extensive language skills, although this is increasingly sought by enterprises.

The impact of Internationally oriented Companies on Carinthia

As already mentioned in chapter 2, it can be observed that international enterprises have a great influence on what happens within Austrian locations and the prevailing culture in these locations. However, these enterprises also have a considerable influence on the regional macro level, which many of the interviewees referred to in order to emphasize its importance (cf. WP4ATK024; WP4ATK020; WP4ATK025). The decision to keep and develop Company E and Company H locations in Carinthia can be seen as a significant enrichment for the municipalities, which thus not only collect taxes, but these enterprises also create jobs, which counteracts out-
migration (cf. WP4ATK020; WP4ATK024). Municipalities and their administrative processes are also improved as a consequence, which ultimately benefits all residents. As businesses develop and locations grow, more jobs are created, often bringing returnees and TCNs to the region, which must also be seen as cultural enrichment (cf. WP4ATK020; WP4ATK024). In addition, there exist cooperations with educational institutions, which offer trainee programs, internships and guided tours in the companies and thus benefit the Carinthian youth, who often migrate to the metropolitan areas of Styria (Graz) and Vienna and could thus be retained (cf. WP4ATK020).

According to WP4ATK024, in order to maintain this development in the future, it is important to create the appropriate framework conditions and to become aware of what Carinthia has to offer. Because often it is not nature and the associated leisure opportunities, but the security that the rural area in Carinthia offers TCNs and their families.
CONCLUSION

The interviews and the results of the focus group clearly show the various positive impacts that TCNs have on the economy and companies as well as on the region and rural area of Carinthia and Vorarlberg. However, it must be kept in mind that at least in the case of Vorarlberg the selected companies have been very open to migration issues and predominantly positive perceptions of migration have been conveyed. Last but not least, the interrelations between migrants/TCNs (micro-level), economy/businesses (meso-level) and rural areas (macro-level) should also be considered.

COMPANY LEVEL

As mentioned before in Vorarlberg the sample of interviewed enterprise concentrate on small and medium sized family enterprise and social enterprises, which may lead to very specific insights when it comes to the importance of migrant workforce. In Carinthia on the other hand, also two large companies could be examined and enrich the perception towards migrant employment in this regard.

In Carinthia, immigration of migrants/TCNs has led to the foundation of new social enterprises and special services (language trainings, counseling, labour market integration services, social integration offers) which foster a better integration of migrants and the exchange between migrants and locals, and from which, in addition, also benefit the local population. This includes e.g. the foundation of the International School Carinthia. This goes hand in hand with a growth in the number of employees and clients (e.g. company F and G).

Considering the enterprises, the big innovation aspect that TCNs have, has become evident. Different (social) enterprises have highlighted the “enormous asset” (WP4ATK024) that (young) TCNs have brought to their companies. Young refugees, e.g., are perceived as “enormously motivated, taking their chance, which is shown in the fact that they achieve more and have better grades than their Austrian colleagues” (WP4ATK024). Correspondingly the feedback from companies on "placed" young people (by company F) is often better with migrant youngster than local young people. The interaction between local and immigrant young employees is also
emphasized positively as “unaware and overprotected” youngsters can learn from refugee youngsters’ life experiences (WP4ATK024). The innovation aspect for companies, however, is also reflected in new support and (team) training opportunities (i.a. in diversity management and English language trainings), which all employees and trainees benefit from.

In addition, migration has contributed to a significant improvement in the scope and quality of services by increasing competition. One example for this is the enlargement of the taxi services in Carinthia (cf. WP4ATK002).

In Vorarlberg, the focus of the managers was less on the individual performance of single persons, although they recognized and praised the strong engagement and readiness to learn of some particular migrants, but rather on good performance, teamwork in the enterprise, and adaptation to the enterprises’ values. An innovative aspect may be seen in the efforts of the employers to try and comply to the different needs and requirement of their staff (e.g. language training, but also efforts to include (migrant) newcomers in the working team and a respectful attitude towards cultural and religious practices). This caring disposition, that includes all employees, and the more open mind towards different needs seemed to have also proved successful in times of the pandemic when collaboration and cooperation in the team was an important factor managing permanently changing conditions.

A very important aspect to be emphasised is the internationalisation of companies stimulated by migrants/TCNs, also in family enterprises. Since the shortage of skilled and highly skilled workers but also simply “working hands” (WP4ATV001) is a decisive aspect of the human resource management of larger international companies to remain competitive, (e.g. interviewed for example in Carinthia), migrant employees are just as important for family enterprises interviewed in Vorarlberg who have relied on migrant workforce already since decades. The companies growing internationalisation is reflected on the one hand in a worldwide recruiting approach (e.g. Company E and F), and on the other hand family enterprises also rely highly on migrant networks who pass information about job opportunities within their network. While in Vorarlberg the knowledge of German (but also the willingness to learn German as fast as possible) is an important condition to be employed, in Carinthia, an enlargement of company’s language diversity is identified. As e.g. employees of Company F came from 70 different countries, they set
English as the corporate language. This looked different about ten years ago when they did not recruit so heavily abroad. Today, communication in a language other than English would no longer be possible. In turn, this motivates several companies to offer targeted English training in their companies.

Last but not least, the changes in corporate culture has to be considered. Based on the growing internationalisation of Carinthian companies and the number of employees with a migrant/TCN background, the corporate culture turned more tolerant and open minded (a mindset which is demanded also from their existing and new employees), fostering positive encounters and the diligence and work attitude of TCNs has been highlighted as positively by several companies (e.g. Company E, F, and H).

**REGIONAL LEVEL AND RURAL AREAS**

Immigration of migrants/TCNs have impacted also positively on the macro level of the analysis, the regions and rural areas of Carinthia and Vorarlberg.

The managers of the interviewed enterprises in Vorarlberg are all well embedded into the local and regional fabric. Particularly two of them talked about the many links to regional and local networks. Social responsibility is perceived as contribution to local social cohesion and economic development, for example by providing specific services for local groups or strengthening regional apprenticeship training, something which may be referred back to the higher potential of social attachment and social security in rural areas. The manageable size of the social space may also be an opportunity for migrants to connect satisfyingly with the local community. All migrant employees in the Vorarlberg case report at least one close local friend and several friendships outside their ethnic community (if they are connected with their ethnic community at all).

For Carinthia, it should be mentioned that the foundation of new (social) companies as well as the enlargement of existing and implementation of new services also has a positive impact on the entire region (e.g. International School). Secondly, there is clear evidence that the whole region of Carinthia is gaining in importance as business location. Migrant-led enterprises (e.g. Company A, C, and E) contribute to the internationalisation of the region due to their
international and global business activities rooted. As a result, small, peripheral, rural areas are also gaining in importance. Furthermore, their cross-border and international business activities have fostered export orientation of and company relocations in Carinthia (e.g. Company A, C, E). Companies regardless of their size are a great asset for rural regions also beyond its economic dimension. They are important for municipalities as they pay taxes and pave the way that people stay in rural area as they can offer sufficient jobs. As municipalities and local public administrations know very well that their regions depend on migrant employees, they offer improved services, which is an optimisation from that everyone benefits. In addition, migrant employees and returnees culturally enrich the regions and rural areas. In Carinthia, the cooperation of universities with internationally oriented companies lead to internships and the development of new education and training programs (e.g. Company E and H). Through their international business activities, they also contribute to urban-rural networks.

Several interviewees have admitted the positive impact that migrants/TCNs have on rural regions: “If the existing diversity is used as an opportunity, it benefits those who are already living in Carinthia and those who want to immigrate” (WP4ATK022). Positively to be emphasised has to be also the migrants’ entrepreneurial spirit, which refers i.a. to the feeling migrants/TCNs always have to perform more than locals, but also because locals are perceived as a bit “idle” due to the fact that they do not need to perform so well. A particular positive impact does migration and migrants/TCNs have on satisfying labour market needs, as regions like Carinthia and Vorarlberg face a shortage in (young) professionals, especially in the technical sector. Besides, international employees who enjoy living in the rural regions ensure international young talents in the future.

As the interviews show, rural areas can offer several potentials for international migrants/TCNs. COVID-19 and the home office-work which has become necessary, has clearly shown that digitalisation no longer makes it necessary to be located in a larger city to be able to perform business well (e.g. Company A). Statements from international companies demonstrate that their international employees appreciate the cleanliness, fresh air, safety and a good upbringing for children, offer of leisure and sports activities as well as the fact that employees have the possibility for cycling to work.
Rural areas like Carinthia, however, also show some weaknesses with regard to migrants/TCNs. The issues of racism and having reservations about TCNs are mentioned in this context. The example mentioned by Company G, according to which they have to accompany immigrants, who are mostly highly educated, to the authorities so that misunderstandings do not arise, the migrants are perceived “better” and negative experiences during contact with the authorities are avoided, also shows that there are still many reservations.

Another weakness mentioned is public transport and the lack of housing and care facilities for unaccompanied minor refugees. This hinders, e.g., young TCNs from taking up jobs in rural areas after they have successfully completed their training and have been offered a job (there is a special demand for professionals in rural areas). Considering all the pros and cons of rural areas, the interviewees recommend regions like Carinthia the following:

- **Become more open-minded**: e.g. some schools in rural areas do not yet know what to do with migrant, non-German speaking children. Companies also need to show efforts and open up their mindset.
- **Changing the way Carinthia sees itself**: Carinthia perceives itself as a tourist region, but people also come to stay permanently. This leads to the demand of implementing a culture of staying.
- **Stop anti-migrant sentiments**: some Austrian politicians create a wrong mood against migrants and misuse mistakes they make as a tool to create resentments.
- **Define clear concepts for dealing with migrants, internationality and interculturality**: such concepts are partly missing or not known.
- **Use existing diversity as an opportunity**.

**INDIVIDUAL LEVEL**

Finally, the micro-level, the individual migrants/TCNs and their interrelations with economy/businesses and rural areas should be discussed. First of all, challenges in labour market integration should be mentioned. (Young) Migrants are particularly vulnerable when it comes to labour market integration as they face numerous challenges. They often lack orientation in the administrative procedures, or the knowledge of what types of occupations exist. In many cases,
their German language skills are insufficient and refugees are often expected to integrate quickly into the labour market without having been able to deal with trauma or possibilities to become familiar with their new living environment. Social pressure and the expectations in their integration (sometimes more of an adaptation) is high. In addition, as already mentioned, the recognition of qualifications is often difficult. On the contrary, companies (like H) that have consciously decided to offer apprenticeship training to young refugees in their companies stand out positively.

The micro level also comprises the **social integration** of migrants/TCNs and also shows well the **interconnectedness between economic and social impacts**. The qualitative analysis has clearly shown that **social integration is promoted through work integration**, enterprises are often social spots where discussion and exchange is encouraged (in seminars or seasonal festivities, joint end of the working day etc.). Furthermore, trainings and labour market integration give them something to do and the feeling that they are of value. Some young migrants were observed to deteriorate when they lost or had to interrupt their work due to COVID-19. It is therefore all the more important that trainers involved in the education of young migrants and refugees exude “joie de vivre” (WP4ATK018). Having professional role models and a supportive network are important for labour market integration and making friends.


PURPOSES OF THE STUDY AND RATIONALE FOR THE SELECTION OF COMPANIES AND STAKEHOLDERS

The objective of this report is twofold. First, to analyse the economic impact of migration on the local community and local development. Second, to review the emergence of social enterprises for/with migrants and refugees and their applicability to the MATILDE region. What is specific to the Bulgarian case is that the MATILDE Haskovo region is relatively less developed in socioeconomic terms compared to the other Bulgarian regions, which also determines the specific characteristics of migration in the region. This report describes and explains the fact that migration in the region is not labour migration – it is family, refugee, and amenity migration.

For the purposes of the study, 27 interviews were conducted for WP4 (the total number of interviews for the WP3 & WP4 is 39, some interviews have been used for both WP3 and WP4). The following table illustrates the organisations and the type of actors that have been interviewed.
Table of interviews by type of organisation and actors

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<th>Codes</th>
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<td>BG WP3WP4 08</td>
<td>Trade Union</td>
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Source: elaborated by the author
The respondents have been selected for the following reasons:

- **Identifying the social enterprises which work with migrants and refugees.** They are a new phenomenon in the development of social entrepreneurship in Bulgaria and their experience is key to understanding their role in labour market integration and empowerment of migrants and refugees, as well as to assessing their prospects for development.

- **Identifying the companies in the MATILDE region which employ refugees and migrants.** They are not many because of the small and declining number of refugees and the absence of labour migration, as analysed in the Policy Brief and the report on the social impact.

- **Identifying the largest possible number of perspectives on the economic impact of migration on** local development and its main drivers, on the one hand, and deficits and difficulties on the other. Three types of stakeholders have been interviewed. The first one is composed of local actors and representatives of associations for the promotion of local development. The second type of stakeholders are the NGOs and representatives of national and international organisations providing humanitarian and legal assistance, as well as links with employers. The third type covers a small but interesting group of informants who have no business or residential connections to the town of Harmanli, but have an impact on local development through their civic activity in helping refugees from the refugee centre in the town to find a job.

- **Hearing the voices of migrants.** The interviews included migrants from all main communities that have an impact on Harmanli and the Haskovo region – refugees, new TCNs such as British amenity migrants, the most-settled migrants such as Russian family migrants, and migrant entrepreneurs. The interviewed refugees represent the various stages of status acquisition – some have already been granted humanitarian status, others are in an ongoing procedure, and still others have had their status applications rejected and are appealing against this. The goal of including diverse cases – in terms of nationality, status, length of residence, impact on the economic and social life in Harmanli and the region, and forms of labour and economic integration – was achieved.
The Bulgarian team managed to cover a variety of local, regional, and national actors who constitute a solid basis for a complex, multifaceted analysis of the social impact of TCNs.

This study is sensitive to gender aspects. Specific attention was paid to women’s voices. It was especially important to us to hear women refugees and migrants formulate their practices, plans, problems, achievements themselves. The gender aspect is important for the Bulgarian report because women are the majority in one type of analysed local migrations; most of the NGO activists working on integration are women, as well as most of the teachers working with refugee children. Women were also interviewed in all other categories – experts, representatives of non-governmental and humanitarian organisations, education, business, etc.

MULTI-METHOD APPROACH

This report is based on a multi-method approach combining four methods: desk research supplementing the results of WP2 and the Policy Brief; focus groups; narrative interviews and observation of one social enterprise. This observation started after the lockdown, just before the finalisation of the report, and is to be continued after its submission. Especially useful were the results gained from the focus group discussion with NGO representatives. All participants were fully engaged in the discussion, which lasted two and a half hours and was full of interesting information and lively debates. The information provided is also crucial for understanding the shortcomings of labour integration of refugees in Bulgaria, because the refugees themselves were rather positive in their narratives and did not sufficiently detail the difficulties of their labour experience. Two of the interviews were collective, as requested by the participants – for example, two informants, close relatives. The other form of collective interviews was close to a small focus group – for example, three participants, a woman refugee together with two representatives of humanitarian organisations.

The large number of interviews enabled encompassing the perspectives both of migrants and of local actors as fully as possible. That was also because some interviewees were in a dual role – for example, a businessman who is also a representative of a local organisation for regional development. Thus, interviews with the same respondents were used in analysing the social and
economic impact, in WP3 and WP4 respectively. Some of the interviews which have been crucial for WP3 – for example, on education – are less quoted in the WP4 report, but are very useful for better understanding the impact of migration on local development, especially in the insightful theoretical framework of the *foundational economy* (Benthan et al. 2013).

A specific difficulty of the field work was the difficult access of some asylum seekers to the internet, computers and phones. Almost all interviews with refugees were conducted by phone, with a poor connection in several cases. The poor connection, insufficient fluency of asylum seekers and migrants in Bulgarian or English, and the impossibility to include an interpreter in this poor technological environment led to interesting, but in some cases insufficiently detailed and informative, interviews.

The major shortcoming of the fieldwork during lockdown was the lack of visits to the companies and of de visu observation with the exception of two social enterprises.

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**REGIONAL SOCIOECONOMIC PROFILE VS SPECIFICITIES OF THE REGIONAL MIGRATION**

The regional profile of the mountainous Haskovo region is the socioeconomic context in which the settlement and inclusion of immigrants in local development takes place. Among all characteristics, the most relevant to the MATILDE Project are the following (IME 2020a):

- The Haskovo region is among the least developed economic regions in Southern Bulgaria, with the lowest GDP per capita after Sliven – BGN 8,500 (2018). The average gross annual wage is the fifth lowest in the country – just BGN 9,600. Two different trends add details to this panorama: on the one hand, household incomes are gradually rising (BGN 5,678 per household member, as compared to a national average of BGN 6,013); on the other, poverty remains a problem – 30.9% of the population in the region lives below the national poverty line (2019) versus a national average of 22.6%, and 23.8% lives in material deprivation versus a national average of 19.9% (IME 2020a: 114).

- European structural and investment funds are an important factor for regional development, but their absorption remains low in the region – by mid-2020, their amount
reached BGN 1,320 per capita, as compared to a national average of BGN 1,976 per capita (IME 2020a: 114).

- A positive trend is the establishment of more enterprises in the region – in 2018, their number reached 33 per 1,000 population. On the other hand, the local production value increased at a slower rate than the national average – in 2018, it amounted to BGN 12,598 per capita, or less than half the average in the national economy (IME 2020a: 114).

- Foreign direct investments increased almost four times in the 2014-2018 period, but remained at the very low level of EUR 801 per capita (IME 2020a: 113-116).

- The dynamic of the labour market is favourable. Unemployment is very low, practically disappearing in 2019 – 0.4% (IME 2020a: 114). The employment rate is above the national average, reaching 70.9%.

- The labour force is characterised by two specific features: shortage of people with higher education (20.2%, or 8% lower than the national average), and a growing share of people with primary or lower than primary education (24%, as compared to a national average of 17.6%).

- The largest number of vacancies available are in the processing industry and agriculture. The vacancies that employers sought to fill through job centres in the region were mostly for low-skilled labour (89%), in line with the profile of the majority of the registered unemployed in the region. As regards high-skilled jobs, the highest demand here is for engineering and technical specialists, professionals in the transport and services sectors, economists, and teaching professionals (Catro Bulgaria 2018: 42).

The socioeconomic profile of the region is a key factor for explaining the specificity of the local migration profile. The latter cannot be understood within the explanatory scheme of wage differentials, more opportunities for employment, and other classic arguments of migration theories. Another type of push factors are relevant in explaining migrations to an underdeveloped region.

It is noteworthy that one type of migration is absent - labour migration, foreigners who have come to the MATILDE region in search of higher wages or more job opportunities. A few informants mentioned the case of a woman factory worker from Kyrgyzstan, but she is an
exception. This is the major distinctive feature of the Haskovo region. The reasons for this are connected to the above-mentioned socio-economic profile of the Haskovo region as the least developed region in Southern Bulgaria.

Four different types of migration have been identified: family migration, amenity migration, entrepreneurial migration, and refugee migration. The economic impact and labour integration strategies vary from one group to another.

*Family migration* easily evolves into labour inclusion. The access to the labour market takes place relatively quickly and easily because of immersion in the husband’s circles and neighbourhood and the good knowledge of Bulgarian. The labour integration of Russian women is diverse and successful (Krasteva 2018) – during our fieldwork, we met Russian women teachers, hairdressers, family business owners, doctors.

*Amenity migration* involves people moving to perceived desirable regions, usually for non-economic reasons, such as a physical or cultural environment that is seen as more beautiful, tranquil, or inspirational than their current environment (Borsdorf et al. 2012). In Bulgaria and in the Haskovo region, the most typical representatives of amenity migration are the British. A number of amenity migrants are pensioners, while the rest do not look for jobs on the local labour market – they are self-employed. The impact of this new group of TCNs on local development is in *creating employment and boosting local business*. House renovation provides new clients to buildings materials companies and jobs for construction workers. Service companies also benefit from the new clients whose standard of living is higher than that of the local population: ‘British families have three or four cars each. They are serviced by the local auto repair shops’ (BG WP3&WP4 04). As a local businessman put it in a nutshell: ‘Local business is boosted. The more [migrants] settle here, the more they boost the economy’ (BG WP3&WP4 04). Some amenity migrants become local activists for greening of the villages by launching initiatives for cleaning the villages by migrants. They play an active role in attracting co-nationals to migrate to Bulgaria by creating websites for different villages (fieldwork for WP5) and companies for real estate for migrants (BG WP3&WP4 06).

*Entrepreneurial migration*. A case in point are *entrepreneurs from Turkey*. They are attracted by three pull factors: a border factor, a minority factor, and a business factor. Harmanli is
Located close to the border with Turkey, the ethnic Turkish minority is the largest in the Haskovo region and in the country. A specific push factor for the region and Bulgaria is the possibility of setting up a business comparatively more easily, especially at the beginning of Bulgaria’s transition to a market economy. Some of the Turkish entrepreneurs in the region are of Kurdish origin. As a company manager said, ‘The Turks are usually entrepreneurs. My husband [a Turkish citizen] is about to open a kebab shop with a young Turk who will work there but will also be a business partner’ (BG WP3&WP4 07).

Refugees are the latest immigration phenomenon in Harmanli. Their profile differs from that of all other previous groups in several respects. Unlike the other immigrants, they have not chosen Harmanli – they have been placed by the host country in the Registration and Reception Centre (known informally as the ‘refugee centre’) in the town. The key difference lies in the type of migration – they are not seeking sunlight and family life, but asylum from wars and conflicts. A third difference is that refugees are the most mobile migrant group – for the overwhelming majority of refugees, Bulgaria is a transit country. The fourth specific feature is that – unlike the rest of the immigrants in the MATILDE region – several asylum seekers and refugees need assistance in labour market integration. They are at the centre of analysis in the next chapter.

ETHICS – ‘ETHICAL MOMENTS’ IN ‘ISLAND MIGRANT COMMUNITIES’

Studying a small migrant community in a small urban centre in a mountain region highlights the ethical concerns of confidentiality and the privacy of the research subjects, as well as the management of trust, both analysed by Stachowksi (2020). The authors of this report share Stachowksi’s idea that methodological vigilance is needed to ascertain the potential effects of the specific context of small migrant communities on the conduct of the research and the production of knowledge. The Bulgarian fieldwork showed that the formal rules of guaranteeing anonymity cannot always achieve the desired result in ‘island communities’ (Stachowksi 2020). A characteristic example cited in the debates of MATILDE scholars is an English-language teacher in a refugee camp. These tensions between principles and practice have been defined as ‘ethically important moments’: they arise when the ethical principles of doing research meet the research...
practice itself. Every fieldwork involves unforeseen situations and enhances the chance of treading into ethical grey zones (Stachowksi 2020: 7). I faced these ethical moments when studying the small migrant communities in Harmanli. The ethical moments apply also to the relatively small number of companies employing refugees and the few social enterprises working with migrants and refugees, which are very well-known. The ethical moments apply also to the not high number of stakeholders with expertise and/or experience in migrant labour market integration.
SOCIAL ENTERPRISES – OLD INSTITUTIONS, NEW CHALLENGES

Social enterprises in Bulgaria can be characterised with several opposite trends. They have a long but very uneven history – with periods of progress and development alternating with periods of stagnation. Recent years have seen a growing interest, development of legislation, and an increasing number of social enterprises, but they still remain concentrated in a small number of spheres. I will summarise their characteristics, history, legislation, mapping and ecosystem on the basis of the European Commission (2019) study by Maria Jeliazkova titled *Social enterprises and their ecosystems in Europe. Updated report: Bulgaria*.

Cooperatives and *chitalishta* (community cultural centres) are the first forms of social enterprises: ‘Enterprises with social aims in Bulgaria have a long history and tradition, mainly in the form of the powerful cooperative movement and community cultural centres (*chitalishta*). These influential institutions first displayed the main characteristics of future social enterprises. Cooperatives experienced a remarkable expansion before World War II as a form of economic organisation that allowed people with limited material resources to cope with economic and social problems’ (EC 2019: 11). Both in the past and at present, social enterprises for people with disabilities have had a key place. The history of associations and foundations is different. Unlike social enterprises for people with disabilities, which functioned during the communist regime, the latter terminated the development of associations. Post-communist democratisation has been a favourable environment for their multiplication and diversification in recent years.

Social enterprises in Bulgaria are defined as businesses that produce goods and services for the market economy and allocate part of their resources to the accomplishment of social and economic goals (EC 2019: 32). Social enterprises in the country cover different legal forms, namely: associations and foundations; cultural community centres; specialised enterprises for work integration of people with disabilities; and cooperatives of people with disabilities (EC 2019: 11).
Table 1. Social enterprises in Bulgaria

<table>
<thead>
<tr>
<th>Legal form operating as social enterprises</th>
<th>Associations and foundations</th>
<th>Chitalishta</th>
<th>Specialised enterprises for people with disabilities</th>
<th>Cooperative societies of people with disabilities</th>
<th>TOTAL</th>
<th>Number of employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>2,430</td>
<td>1,000</td>
<td>200</td>
<td>44</td>
<td>3,674</td>
<td>26,000</td>
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Source: EC 2019: 48

Although they have been developing dynamically in recent years, social enterprises still have a very modest place in the Bulgarian economy: ‘They account for around 1% of all the enterprises in the country, employing about 2% of the employed population. They contribute to about 0.7% of the added value produced in the country. All three figures lie well below the EU averages’ (EC 2019: 12). The factors constraining and hindering the development of social enterprises can be classified into two groups. The first is the overall social and economic situation in Bulgaria, which is the country with the highest level of income poverty in the EU (Jeliazkova and Minev 2020). The second group of constraining factors includes ‘poor understanding of the specific nature, role and potential of social enterprise; weak governmental acknowledgment, support and funding; insufficient targeted assistance through dedicated financial instruments; lack of adequate support from the municipalities; and insufficient scale of public procurement’ (EC 2019: 71).

For the purposes of the MATILDE Project, it is important to point out that a significant part of the social enterprises in Bulgaria are for people with disabilities. Other vulnerable groups, such as refugees, homeless, etc., are not sufficiently targeted (EC 2019).

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SOCIAL ENTERPRISES FOR/WITH MIGRANTS AND REFUGEES

Social enterprises for/with refugees and migrants are a new phenomenon and an emerging trend in Bulgaria. They have emerged in the last few years. Their initiators are humanitarian organisations and active members of civil society. One humanitarian organisation has founded two of the four best-known and interviewed social enterprises. Novel and innovative, social enterprises for/with migrants and refugees have attracted academic and public interest.

www.matilde-migration.eu
Three main reasons can be mentioned for their late appearance. The first is the historical and contemporary 'specialisation' of social enterprises in Bulgaria, targeting mainly people with disabilities. The second reason is the socioeconomic profile of economic migrants in the country, who are relatively well integrated (Krasteva 2019). The third reason is the relatively small number of refugees and their transit character.

The refugee/migrant crisis of 2015-16 was one of the catalysts for the creation of social enterprises for/with refugees and migrants. The reasons for their development can be systematised into two groups. The first is the increase in public sensitivity to refugee issues, the wave of solidarity and humanitarian aid. Even after their number decreased with the easing of the refugee crisis, interest and responsibility for integrating settled refugees have remained. The second is the development of Bulgarian civil society itself, some of whose representatives moved from volunteering and associational activities to social entrepreneurship.

For the purposes of the MATILDE Project, representatives of four social enterprises for/with migrants and refugees were interviewed. They are the leading social enterprises of this kind in Bulgaria. All four are situated in Sofia. One of them operates also in Harmanli, another is exploring opportunities for working for/with refugees in the town, while a third social enterprise has a large-scale project with national coverage which includes the MATILDE region. The period of fieldwork was hybrid because of the Covid-19 lockdown: three interviews were conducted online, and six others - face-to-face. An observation of the work of one of the social enterprises was started and is to be continued after the submission of this report. Fieldwork is also to be conducted in Harmanli. The interviews themselves were informative and interesting, and the atmosphere was open and cordial. The informants were proud of their work and would be happy to have their social enterprises presented with their names and achievements.

I will structure this analysis in three parts. First, I will present each of the social enterprises in brief. Second, I will outline the similarities and differences, the main characteristics of these social enterprises for/with migrants and refugees, their achievements and challenges. Third, I will examine the in/applicability of their experience in Harmanli.
SOCIAL ENTERPRISE A FOR MULTICULTURAL MEDIATION

This social enterprise A is celebrating its tenth anniversary this year (2021). Today they are well-known and recognised, but they emerged spontaneously, without any concrete plan and strategy: ‘We started out as an informal group of volunteers, we had no financing, no structure – we were simply a group of enthusiasts and experts in the sphere of migration. Starting out as a group of volunteers in 2011, in December 2012 we arrived at the idea that we should register as a formal NGO, and received our first order as a social enterprise in the spring of 2013. We hadn’t looked for it, we were invited by X [a large international organisation]. (BG WP3&WP4 31). This long quote from the founder and manager of one of the best-known Bulgarian social enterprises illustrates the way in which the first social enterprises for/with migrants and refugees emerged in the country. It shows that the initiative sometimes comes from outside – in this particular case, from a large international organisation which wanted to include a humanitarian cause in the organisation of a forum it was hosting. The founders of this social enterprise are citizen activists – volunteers and enthusiasts about integration of migrants and intercultural dialogue, as well as project experts. This dual identity is important to them: ‘We are experts and we don’t want to become businesspersons only. Social entrepreneurship is more a means of promoting the cause of migrants as well as of supporting them’ (BG WP3&WP4 31). This social enterprise is specialised in multicultural catering. It has developed a network of more than twenty restaurants offering food from different countries – Iraq, Lebanon, Pakistan, Korea, Turkey, India, Russia, etc. (BG WP3&WP4 31). Its clients are big companies who hire them for various events, conferences, team building. The expert community on migration issues also prefers multicultural catering at its events. (BG WP3&WP4 31).

The NGO is interested in the MATILDE region. In 2020 it conducted, together with another NGO, a workshop in Haskovo with local activists who were interested in working with refugees and migrants but had little or no experience. Another large-scale project of this NGO is building a network of migrants in Bulgarian towns and cities, including the MATILDE region.
SOCIAL ENTERPRISE B – RESTAURANT WITH A SOCIAL MISSION

This social enterprise was founded exactly two years ago, in May 2019, and has a dual objective: to help vulnerable groups and to facilitate the integration of migrants. It provides jobs to migrants and is specialised in intercultural cuisine. The social enterprise was founded by a big humanitarian organisation (BG WP3&WP4 33, 34, 35). Its business model has three pillars. The first are the socially beneficial activities of the humanitarian organisation itself, such as providing a hot lunch to children from minorities and children with disabilities as well as to elderly and socially disadvantaged people. This socially beneficial activity is key to the social enterprise’s orientation and spirit: ‘Yes, we are much less business-oriented than socially-oriented’ (BG WP3&WP4 33). The second pillar are individual clients, who know and love exotic food. The third pillar of the social enterprise’s business model are corporate clients, big companies, usually foreign or from the IT sector.

The team is small, consisting of four people – a refugee family and two Bulgarians. All four share the dual approach to their work – developing both business activities and the social mission. The refugee social entrepreneur said: ‘I like working with clients, but I like the social part best – there you give love, you give something to someone who is in need. Not just someone who is hungry. It makes you feel part of a community, feeling that you belong’ (BG WP3&WP4 34). This excerpt from an interview conveys a dual message: the joy and satisfaction of the refugee who helps others in need and thus feels a full-fledged citizen; social entrepreneurship as a humanitarian mission which helps vulnerable groups, establishes contacts between people, and builds a community through solidarity and engagement. Another excerpt illustrates the positive circle of solidarity: ‘For example, the employees of a company ordered lunch from us. Everyone who ordered lunch brought a bag of products we need for the hot lunches we cook for socially disadvantaged people’ (BG WP3&WP4 33, 34, 35). Thanks to an increased number of sponsors, during the pandemic the social enterprise provided hot lunches to a wider range of people, including about a dozen families of refugees and migrants (BG WP3&WP4 33, 34, 35). Building bridges is an important cause for this social enterprise. They are accomplishing it through an interesting youth intercultural initiative: young refugees and young Bulgarians meet every month to get to know each other and to plan joint activities (BG WP3&WP4 33, 34, 35).
The social enterprise intends to expand, but for the time being does not include Harmanli in its plans.

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SOCIAL ENTERPRISE C FOR SOUVENIRS AND ‘GIFTS WITH A CAUSE’

This social enterprise has been operating since 2019. It belongs to a big humanitarian organisation and is specialised in production of dolls, souvenirs, gifts with a cause, etc. The social enterprise operates in two centres. In the one, women refugees and migrants sew and knit, and in the other children and young people with disabilities make clay objects, postcards, badges in creative workshops. A good example of their joint creative work done in two different places is an angel doll whose big heart is made by the children with disabilities, while the doll is sewn by the women refugees (BG WP3 & WP4 36).

The idea of creating this social enterprise had emerged in the course of work. The women refugees and migrants used to get together to sew and knit ‘for fun’, with a view to socialisation and integration. The idea gradually emerged that the products – dolls, hats, etc. – could be sold and thus generate income for the women refugees.

Among the most significant results of this social enterprise’s activity is the empowerment of women refugees and migrants. For some women refugees this is the only income, others rely on their families, earning extra money from sewing. What is common between the two categories is the strong feeling of satisfaction shared by different informants (BG WP3 & WP4 37, 38). They feel empowered by the fact that they are appreciated, that people buy their dolls, that they are useful, that they are contributing: ‘I liked what we do also before [when it was not paid], but I like it even more now [because it is paid], I feel useful’ (BG WP3 & WP4 37). ‘It’s nice to have a work, they pay us, they appreciate us’ (BG WP3 & WP4 37). They are happy that they can apply their skills as well as that they are learning new ones. The coordinator explained the open policy of the social enterprise – every woman migrant who is interested can join in: ‘We don’t turn down anyone who wants to work. We find them work according to their skills. If they are unskilled, they learn from me, from the other women migrants, or from the volunteers. There are always very simple things that also need to be done’(BG WP3 & WP4 36). The migrants pointed out other aspects of their feeling of satisfaction from their work at the social enterprise – interaction with people; the creative
character of making dolls and souvenirs ('I rediscovered my hobby of making beautiful things'[BG WP3&WP4 37]); the cordial atmosphere (BG WP3 & WP4 37, 38). An informant emotionally summed up her positive experience: 'I like it so much that I can come to the workshop constantly, I'm very enthusiastic about it' (BG WP3 & WP4 37).

Besides the women refugees and children with disabilities, the social enterprise has begun to include in the workshops unaccompanied Afghan boys from a refugee centre. Most of them can sew and also like the creative atmosphere of making dolls and souvenirs.

The Social enterprise C develops positive practices of intersectionality. Intersectionality is conceived as a critical social approach for addressing inequalities and discrimination based on ethnicity, gender; age, class, etc. (Romero 2017, Collins 2019). B. Sauer and B. Siim distinguish exclusive and inclusive intersectionality, the former practiced by the far right, the latter from activist citizenship (Sauer and Siim 2019). The SE C applies inclusive intersectionality working with migrant and refugee women, Bulgarian children with disabilities and unaccompanied minors.

This social enterprise’s business model is oriented at the women refugees – they are paid for everything they make, regardless of sales. The difference between made and sold products is covered by the social enterprise thanks to sponsors and support from the big humanitarian organisation that founded it. In dealing with clients, the purpose is not just to sell things but also to inform them about the mission of the social enterprise: ‘At the art bazaars where we offer our products for sale we seek to touch people and tell them what our mission is’ (BG WP3&WP4 36).

Most of the managers of and participants in this social enterprise are migrants – the coordinator is a third country national (TCN), the refugees are mostly from Syria but also from other countries, the interpreter is from a mixed marriage of a migrant and a Bulgarian citizen. Bulgarian youths join in as volunteers.

The social enterprise is situated in Sofia, but provides work for women at the refugee centre in Harmanli as well. The coordinator explained its mobile model: ‘The refugees from Harmanli come to the centre in Sofia, take materials, sew in Harmanli, and then bring the ready products’ (BG WP3&WP4 36).
SOCIAL ENTERPRISE D IN THE SPHERE OF OUTSOURCING OF DATA PROCESSING

This social enterprise was founded in 2017 with the vision of offering digital work to refugees and migrants from conflict zones. Later on, it acquired a hybrid structure: a company providing work to the beneficiaries and a foundation offering training courses: ‘This helped us to focus both on having a successful business and on socially beneficial activities which we finance from our profit from this business’ (BG WP3 & WP4 36).

This social enterprise is unique for Bulgaria in two respects. It is the first in the sphere of digital work and outsourcing of data processing. It is also the only Bulgarian social enterprise that is developing operations abroad: ‘We work not only in Bulgaria but also in other countries – Syria, Turkey, Iraq. At present, we have a new partnership in Afghanistan, a new pilot project in Lebanon’ (BG WP3&WP4 36).

A specific characteristic of this social enterprise is that two-thirds of the migrants are women. Two main reasons explain this gender asymmetry. The first is that women migrants’ access to the labour market is more difficult and that is why they are willing to accept temporary jobs as freelancers employed under contracts for services. The second is that women prefer jobs that allow them to manage their working hours.

This social enterprise is interested in Harmanli, its founder has wanted to open an office there from the very beginning. So far she hasn’t done so because she hasn’t found a suitable person to manage such a regional office as well as because of the social enterprise’s new trend of developing abroad rather than in Bulgaria.

The social enterprises for/with migrants and refugees in Bulgaria are characterised by the following specificities and development trends:

- They have merged in the last decade and are still few in number, but they are a promising emerging trend of social entrepreneurship in Bulgaria.
- A number of their founders have a dual identity – NGO activists and social entrepreneurs. This complex identity is significant for them.
- **The social enterprises are small**, often consisting of several people, who are joined by temporary staff and/or volunteers when they receive larger orders.

- **Social entrepreneurship has a different share in the activities of the organisations in question**: some have a hybrid profile, focusing more on project activities than on social entrepreneurship; in others, the company and the foundation are separate entities; still others operate solely as social enterprises.

- **The management structure is network-like**. Due both to the small teams and the shared mission, most teams operate on a horizontal, not on a pyramidal, basis. An informant stressed that all members of the team are equal, while a colleague of hers pointed out that she is the manager after all (BG WP3&WP4 33, 34).

  **The positive impact** of social enterprises has three main aspects.

- **The most important one is the empowerment of migrants and refugees**. It is manifested in various forms. Refugees and migrants work in almost all interviewed social enterprises. Migrants are key business partners, as in the case of the social enterprise that provides catering from migrant restaurants for different events. Refugees and migrants are also among the main beneficiaries of most social enterprises. **Active citizenship is formed through solidarity and social entrepreneurship** – for example, when a migrant from a social enterprise helps vulnerable Bulgarians (BG WP3&WP4 34).

- Also positive is the **diversification of the social enterprises’ spheres of activity**, which vary from a restaurant with a social mission to data processing.

- A key factor for the development of social enterprises for/with migrants and refugees are their **clients – companies with a social policy** as well as international organisations (BG WP3&WP4 31, 32, 33, 34, 35). Some of these clients are sponsors – they do not merely buy the products and services of social enterprises, they donate money and products for their socially beneficial activities (BG WP3&WP4 33, 34, 35). Among the most frequent clients of these social enterprises are IT companies: as they work with computers, they are quite open to intercultural socialisation, humanitarian causes and dialogue (BG WP3&WP4 33).
Inevitably for the initial stage of establishment and operation of social enterprises for/with migrants and refugees, they faced a series of difficulties and challenges:

- **The professionalisation** of the new social entrepreneurs is still at a nascent stage. A few are social workers who have taken courses in social entrepreneurship (BG WP3&WP4 35). Others did not have preliminary training and experience and stressed the need of training, of learning from the experience of other countries (BG WP3&WP4 31, 32). There are already good practices in this regard: a NGO offers grants for study visits devoted to social entrepreneurship in two spheres – people with disabilities and migration. One of the interviewees won such a grant and used the study visit as an opportunity to find new partners (BG WP3&WP4 32). Another interviewee has already taken two training courses for work in social enterprises (BG WP3&WP4 35).

- Social entrepreneurs **do not feel adequately supported by the state** and formulated expectations and demands in three main directions. The first is about training. The second is about financial support, especially at the start-up stage. Informants said that they had started their enterprise with a loan because they had no start-up capital (BG WP3&WP4 31, 32). The third is about assistance in renting premises, with some informants mentioning the experience of other countries in this regard (BG WP3&WP4 31, 32).

- **The network of social entrepreneurs is still under construction.** An Association of Social Entrepreneurs has been founded, but some of our respondents said they had no contacts so far (BG WP3 & WP4 33, 34, 35), while others told us they had tried to contact the Association but had not received an answer (BG WP3&WP4 31, 32).

- **The business model of some social enterprises is still not sustainable.** The founder and manager of a social enterprise described how their initial business model had failed at the end of the first year when the refugees and migrants, who had been employed on permanent contracts, had left. Forced to quickly change their business model, since then they have been working with freelancers, which has proved to be a more flexible model (BG WP3&WP4 39). Other social enterprises cannot fully support themselves and rely on donations as well as on assistance from the big organisation that has founded them.
PROSPECTS FOR SOCIAL ENTERPRISES IN HARMANLI

It is reasonable and unsurprising that the first social enterprises for/with migrants in Bulgaria emerged in Sofia, which has the largest number of TCNs as well as of organisations and actors with a vision and experience enabling them to start this pioneering activity. It is characteristic that, with the exception of the restaurant with a social mission, the other social enterprises are interested in Harmanli as an additional place for present or future activities. The social enterprise D for data processing had intended to expand its operations to Harmanli but did not find someone capable of organising and running the local office. Another factor limiting the possibility of including refugees from Harmanli is the higher turnover. As the manager of the social enterprise D pointed out, Harmanli is a transit destination, while in Sofia there are more settled refugees (BG WP3&WP4 39). The social enterprise A for multicultural mediation is engaged in an impermanent but flexible form of cooperation involving ad hoc initiatives such as workshops. The most active position is that of the social enterprise C for souvenirs, which is already including women refugees from Harmanli in the processes of sewing and making products.
This chapter has a double purpose: to analyse how companies respond to the challenges posed by the appearance in the last decade of a new type of migrants in the MATILDE region – asylum seekers and refugees – as well as the good practices of and obstacles to their labour market integration; to assess the impact of the establishment of the refugee centre in Harmanli and the emergence of the new refugee community. Two factors analysed in the previous chapters outline the framework of analysis. The first is the relatively small and declining number of refugees and asylum seekers and the transit character of their migration. The second is the underdeveloped economic profile of the MATILDE region, which does not attract economic migration.

ACCESS TO THE LABOUR MARKET OF TCNS IN BULGARIA

The legal framework for access to the labour market of TCNs includes the Employment Promotion Act, the Labour Market and Labour Mobility Act, the Law on Asylum and Refugees and the Law on Foreigners in the Republic of Bulgaria. In terms of access to the labour market, the TCNs are divided into two categories: economic migrants looking for employment and those seeking international protection or with refugee or humanitarian status. The beneficiaries of international protection are granted the right to register in the territorial divisions of the Employment Agency. This right is also granted to the persons whose procedure has not been completed (Union Migrant Net 2020).

The following table illustrates the panorama and dynamic of employment of TCNs in the Bulgarian labour market.
Table 3. Number of TCNs working under different modes

<table>
<thead>
<tr>
<th>Type of work permit/registration</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>31 July 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Permit mode</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single residence and work permit</td>
<td>427</td>
<td>467</td>
<td>636</td>
<td>1129</td>
<td>596</td>
</tr>
<tr>
<td>EU blue card</td>
<td>195</td>
<td>177</td>
<td>273</td>
<td>370</td>
<td>301</td>
</tr>
<tr>
<td>Seasonal employment from 90 days</td>
<td>10</td>
<td>219</td>
<td>806</td>
<td></td>
<td>495</td>
</tr>
<tr>
<td>Intra-corporate transfer of employees</td>
<td>39</td>
<td>20</td>
<td>37</td>
<td>38</td>
<td>1,531</td>
</tr>
<tr>
<td>Work permit</td>
<td>118</td>
<td>111</td>
<td>739</td>
<td>469</td>
<td>300</td>
</tr>
<tr>
<td>Permit for freelance activity</td>
<td>-</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Registration mode</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short-term employment of posted workers</td>
<td>206</td>
<td>369</td>
<td>601</td>
<td>489</td>
<td>135</td>
</tr>
<tr>
<td>Seasonal employment up to 90 days</td>
<td>-</td>
<td>3,547</td>
<td>8,443</td>
<td>11,443</td>
<td>1,979</td>
</tr>
<tr>
<td>Employment of persons of Bulgarian origin</td>
<td>-</td>
<td>-</td>
<td>15</td>
<td>104</td>
<td>62</td>
</tr>
<tr>
<td>Registered employment of students</td>
<td>239</td>
<td>362</td>
<td>349</td>
<td>412</td>
<td>198</td>
</tr>
<tr>
<td>Registered employment of researchers</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Employment of TCNs</td>
<td>-</td>
<td>482</td>
<td>588</td>
<td>648</td>
<td>319</td>
</tr>
<tr>
<td>Total</td>
<td>1,224</td>
<td>5,062</td>
<td>11,313</td>
<td>15,912</td>
<td>5,919</td>
</tr>
</tbody>
</table>

**Source:** Data from the Employment Agency, Table from Union Migrant Net 2020: 11.

The data in the table point to two characteristics of the employment of TCNs:

- A small number of TCNs employed in the Bulgarian labour market.
• An upward trend – from 1,224 in 2016 to 15,912 in 2019. In just three years the number of employed TCNs increased by 13 times, but the total number remains very low at the national level.

The situation in the MATILDE region of Haskovo and Harmanli is the subject of analysis in the next part of this report.

BUSINESS COMMUNITY’S NEEDS OF FOREIGN LABOUR

One of the interesting findings of the study is the contradiction between the low number of TCNs and the business community’s needs for foreign labour. ‘The shortage of workers is among the main factors that hinder the activities of companies and one of the main obstacles to the entry of foreign investments’ (Union Migrant Net 2020: 22). A national survey of employers and managers has found that 34.2% of those in industry need more workers (Union Migrant Net 2020: 22). I have found a similar trend in the MATILDE region too, even though it is less acute because of the region’s underdeveloped profile. A representative of the business community in the MATILDE region said that the shortage of seasonal workers in agriculture has a direct negative impact on the balanced development of agriculture: landowners are reducing fields for vegetable production because it is labour-intensive, and leasing them to large tenant farmers to grow wheat and sunflower: ‘We will eat plastic-tasting foreign tomatoes because there’s no one to grow tomatoes here’ (WP3 & WP4 1). A manager described how labour emigration has led to the need for labour immigration: ‘Twenty years ago, Bulgarians went to Spain and Italy to work in agriculture for 30 euros a day. At present the wage here is also 20 to 25 euros a day, but there’s no one to work. Obviously, we will have to import them from third countries’ (BG WP3 & WP4 1). A stakeholder formulated a key paradox – there is both unemployment and a shortage of workers: ‘There are many people out of work, but when we go looking for people for work we can’t find any’ (BG WP3&WP4 21).

Investigating the complex reasons for this contradiction is beyond the scope of this study. Here I will point out the main ones. A crucial reason is the absence of an active state policy for attracting foreign workers needed by the Bulgarian economy. Two attempts in the MATILDE region have been and are made to fill this gap. Both have turned out to be unsuccessful. One is for
businesses to rely on the services of private companies. The latter often turn out to be dishonest intermediaries. A manager in a company said they had wanted to employ workers from Kyrgyzstan, but a private intermediary company had cheated the latter, telling them that they would be given high-paid jobs in the capital city. When the bus brought the Kyrgyz women to the small town, the majority refused to stay – at present, only one of them is working at the factory (BG WP3 & WP4 01). The second way of recruiting foreign workers consists in attempts of businesspersons themselves to do so by visiting the countries of origin of potential labor migrants. It, too, has turned out to be ineffective.

LOCAL COMPANIES AND EMPLOYMENT OF REFUGEES

A key specific characteristic of the MATILDE region is that of the two categories of TCNs – economic migrants and refugees – those who are integrated in the local labour market are mostly refugees.

The local companies employing refugees have three specific characteristics. The first is the relatively small number of employed refugees – ranging from several persons (BG WP3&WP4 01) to several dozen in the years of a larger refugee flow. The second is the diverse spheres of production – bags and leatherware, confectionery, clothing industry, bed linen (BG WP3&WP4 01, 04). The third is the different stage of employment of refugees: one company has been constantly providing jobs, albeit for a very small number of refugees, for three years now (WP3&WP4 01, 07); others have employed refugees in the past but no longer do so because of the transit character of their stay in the MATILDE region (BG WP3&WP4 04, 22). I also interviewed a company that was in the process of contacting the Harmanli refugee centre with a view to employing refugees for its new factory (BG WP3&WP4 20). We will follow up on this during our fieldwork in Harmanli.

POSITIVE EXPERIENCES AND GOOD PRACTICES

The first good practice are social services such as housing, which are provided by some companies – for example, a leatherware company which has provided an apartment to a large Afghan family (BG WP3&WP4 01). Another company that plans to employ refugees also intends to provide housing (BG WP3&WP4 15).
Most companies **train their employees**, organising training courses in the necessary skills. An employer was positively impressed by the fact that the Afghans had attended two courses simultaneously – a course in sewing and a Bulgarian language course: *The Afghans were very fast learners. They learned both Bulgarian and sewing* (BG WP3&WP4 01).

Exceptionally important is the mediating role of **matching employers and job-seeking refugees**. The job fairs organised by Caritas and the UNHCR were assessed positively both by employers and by refugees (focus group, BG WP3&WP4 01). Other organisations, such the Bulgarian Red Cross, also play a mediating role (BG WP3&WP4 07). In some cases, the first contact was a humanitarian action. An informant said that after her first meeting with child refugees at a New Year’s party, she had suggested to her husband that they employ refugees in their confectionery factory (BG WP3&WP4 07). An interesting example of a mediator is a businessman who does not live in Harmanli and whose small company with permanent staff has not employed anyone from the new group of refugees, but who – because of his fluency in Arabic and humanitarian attitude – plays an active role in establishing contacts between new companies looking for workers and the refugees from Harmanli (BG WP3&WP4 16). This example is rather rare, but it attests to the vitality of civil society, to the appearance of new actors – mediators, to the role of humanitarian and intercultural attitudes as a factor facilitating labour market access and integration. Mediation is perceived by this businessman-mediator as a win-win game: *'In this way, we help both refugees to integrate and employers who are looking for workers, as well as even the state – instead of receiving aid from the state, refugees prefer to feel useful'* (BG WP3&WP4 16).

**Spirit of social enterprise in ordinary enterprises.** A number of employers shared the spirit of social enterprise, of business with the socially beneficial function of helping others: *'Neither business nor anything in this life can happen if there's no humaneness, understanding and goodness. This is the way of existence, in my opinion – helping others with what we can’* (BG WP3 & WP4 07); *'When they ask you for help and they are fleeing from war, of course you will help them. Besides this, they are diligent people’* (BG WP3&WP4 22). A businessman said that there are two categories of employers: *'those who are focused solely on profit, and those who are entrepreneurs who feel accountable to themselves, to their workers, and to society’* (BG WP3 & WP4 15). Another owner of a company, a foreign national himself, described the balance between
corporate interest and humanitarian attitude: ‘My education as a doctor taught me not only to heal but also to help people with whatever I can. We are looking after the company’s interest and, at the same time, we want to help the refugees: it is a humane cause both to integrate them and to help the state’ (BG WP3 & WP4 20).

**Exchange of experience and information between companies employing refugees.** The companies with more experience share their experience at different forums as well as in bilateral contacts, explaining to managers of new companies the procedures and necessary documents for employing refugees (BG WP3 & WP4 07).

Some employers and managers in companies are an important **generator of positive images of refugees.** The interviews abounded in examples of appreciation of both the professional and the human qualities of refugees: ‘They quickly learned to sew and now they are the best tailors. Their handwriting is more beautiful than that of any of the Bulgarian workers. And they are such wonderful people! I rarely meet people like them’ (BG WP3 & WP4 01).

**Good reception of refugees by workers and employees.** The interviews revealed positive attitudes at the shop-floor level: ‘The Bulgarian workers (some 15 – 16 people) received the refugees very well. They explain, show everything to them. When people are diligent and want to work, things happen easily’ (BG WP3 & WP4 07). This positive trend was confirmed by other interviews (BG WP3 & WP4 28), as well as by the national survey: ‘the Bulgarian workers are becoming more inclusive, open and tolerant in a multicultural work environment’ (Union Migrant Net 2020: 23). The shared culture and religion create even stronger bonds: a young Afghan goes to Friday prayer with his Turkish employer; on Bayram day, the two of them went together to the mosque in the bigger city (BG WP3 & WP4 28).

**Migrant employers employing refugees and migrants.** Some have been living in Bulgaria for several decades now, they have received their higher education here and have settled professionally and family-wise, often in mixed marriages (BG WP3 & WP4 15). Others arrived about a decade ago (BG WP3 & WP4 21). Well-known in the region is the case of a Syrian big businessman from Sofia, who provided jobs and housing to several dozen refugees in the MATILDE region at the beginning of the refugee crisis. The positive circle of migrant employers
employing migrants and refugees is characteristic not only of the MATILDE region but of the whole country (Krasteva 2019).

DIFFICULTIES AND OBSTACLES TO THE LABOUR MARKET INTEGRATION OF REFUGEES AND TCNS

Inability to speak Bulgarian significantly hinders access to the labour market. It is identified as the first obstacle in the national survey on the labour market integration of TCNs (Union Migrant Net 2020: 17). Our fieldwork has verified this with regard to the MATILDE region as well (BG WP3&WP4 03, 22).

The second difficulty for companies are the heavy administrative procedures for employing TCNs and refugees (Union Migrant Net 2020: 23). They are even heavier when it comes to employing asylum seekers in an ongoing procedure. A manager described how the vast, several-year-long, administrative efforts necessary for employing a single family of refugees had driven the company owner to stop offering jobs to other asylum seekers (BG WP3&WP4 01). Another aspect of the administrative procedures is also seen as an obstacle by employers – the majority of refugees are in an ongoing procedure for granting humanitarian or refugee status or are appealing against the rejection of their applications, and often leave their workplace to go to interviews, to submit documents at the police station, and for other meetings in the administration, thereby upsetting the working rhythm and placing managers in a difficult position (BG WP3&WP4 22). A significant problem for employers is that many asylum seekers look for work without documents, but employers are unwilling to employ them (BG WP3&WP4 20, 22).

The key obstacle is the transit character of refugee migration. An informant said that they ‘stay for a very short while, four or five months at the most. Just when we’ve trained them, they leave’ (BG WP3 & WP4 07). Well-known and often-cited in Harmanli is the case of a businessman who had devoted a whole year and invested in training migrants – in the Bulgarian language as well as in operating with sewing machines. They received training and jobs, but as soon as they were granted status they left for Europe. Nowadays the clothing factory no longer employs refugees (BG WP3&WP4 03, 04, 14). Similar is the experience of a bed linen factory which had employed about a dozen refugees who left for Western Europe, so the Turkish owner decided he
would stop employing people from the refugee centre (BG WP3&WP4 22). The departure of refugees often frustrates employers because they are not given advance notice: ‘we thought he was arranging his documents in Sofia, but he had left Bulgaria [two weeks ago], yet we continued to pay [his social security and health insurance] contributions for another two weeks’ (BG WP3&WP4 22). An interesting detail is that the same employer has similar problems with workers from the Roma minority (BG WP3&WP4 22).

The **skills mismatch** is both a national (CATRO Bulgaria 2018) and a regional challenge: *‘In Harmanli there is no low skills workforce shortage, yet refugees offer precisely cheap labour’* (BG WP3&WP4 03).

**Negative attitudes and discrimination.** The interviewees shared what were rather apprehensions, not facts, about negative racist attitudes, but with real implications for non/employment of refugees as well as for the distribution of the tasks they assign them. A factory owner explained the non-employment of refugees with several reasons, among which apprehension about a possible conflict between the employed Roma, who are the majority of workers at the factory, and the Afghan refugees (BG WP3&WP4 10). A manager noted that the refugees employed by his company work in production and are well-received by their co-workers, but they are not assigned to work with clients because the managers have noticed that some clients are reserved towards foreigners (BG WP3&WP4 07). Regardless of whether those apprehensions are real or exaggerated, they have a real impact on the non/employment of migrants and refugees and the kind of work they are assigned to do.

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**THE MIGRANTS’ PERSPECTIVE**

The migrants’ perspective is key to the MATILDE project, which aims to give them a voice and to strengthen their agency. It is noteworthy that the employers did not give us access to migrants employed by them. The Bulgarian team managed to contact employed migrants thanks to the established network of interviewed stakeholders and migrants.

Employed migrants were highly appreciative of the **good attitude both of employers and of co-workers** towards them: *‘They are good people, they help’* (BG WP3&WP4 27, 28); *‘It was a bit hard, but I met friends. It was good, they are good people’* (BG WP3&WP4 15).
A number of difficulties and obstacles hinder full and permanent labour market integration. A key obstacle are the **low salaries**. A migrant said that the factory she worked at employs refugees because it pays them very little (BG WP3&WP4 15); another informant was more specific: ‘**35 leva, approximately 17.5 euros, for 12 hours**’ (BG WP3&WP4 26). The second obstacle is the widespread **employment in the grey economy** – work without an employment contract, non-payment of social security contributions and overtime work (Union Migrant Net 2020: 20; focus group, BG WP3 & WP4 01). A typical example are construction companies which employ refugees from the refugee centre for a day or for a short time without paying any social security and health insurance contributions for them (focus group, BG WP3&WP4 01).

As regards working conditions and pay, the views of employers and employed refugees differed at times: for example, a manager underlined the humanitarian reasons for employing refugees (BG WP3 & WP4 07), while an employed refugee pointed out the low pay and long hours: ‘**When there are many orders, we work 12 hours a day. I have high blood pressure and can’t work that long**’ (BG WP3&WP4 15). It is positive that their views about the good relations with co-workers coincided (BG WP3 & WP4 07, 15).

**Migrant empowerment.** Refugees and migrants who work as interpreters, mediators, experts at NGOs and international organisations are success stories with a threefold impact: professional advancement; role models for their communities; active role in building intercultural bridges for mutual understanding and dialogue. One interviewee represents an exemplary story of successful integration. He was homeless; despite his education and qualifications, his first job was in a factory. He omitted these difficult periods in his personal story and highlighted the present where he works as an interpreter and cultural mediator. He is also a member of the Refugee Advisory Board. His mission is to be an agent of change: ‘**The Refugee Advisory Board – we are a chance for change.**’ (Policy Brief, Interview 2)

**THE TRADE UNIONS’ PERSPECTIVE**

Bulgarian trade unions are among the key stakeholders with an active position on labour migration and labour market integration. Their position has two pillars: on the one hand, foreign workers should not be exploited and their labour rights should be guaranteed; on the other, they
should not undercut Bulgarian workers. In 2017 the Confederation of Independent Trade Unions of Bulgaria declared that import of foreign workers threatens the Bulgarian labour market (KNSB 2017). A representative of a large trade union gave as an example a Turkish company which employs Turkish workers and pays them more than the national average, even though the requisite workers are available on the Bulgarian labour market (BG WP3 & WP4 15).

The trade unions are still not active with regard to migrants in the MATILDE region because of the small number of TCNs and refugees there, but they are analysing the processes of labour migration in Bulgaria through surveys and publications (Union Migrant Net 2020), and participate in policy-making on labour market integration (Policy Brief).

**IMPACT OF THE NEW REFUGEE COMMUNITY IN A SMALL TOWN**

The impact of the newly formed refugee community on local development is analysed in two regards – positive aspects of increased demand for local services and difficulties for inclusion. The two trends refer to different aspects of the refugees’ flows. The first one, of revitalisation of local businesses, is connected to the size of asylum-seeker flows and was more pronounced when the asylum seekers were more numerous. The obstacles and challenges of integration are associated with the transit character of the refugee flows in the MATILDE region.

The refugee community’s impact on local business, the local real estate market, and even on population growth is assessed as positive in the following spheres:

- **The new Registration and Reception Centre** is *one of the biggest employers* in the town (BG WP3&WP4 30).
- **Local business and services**: There has been a growth in consumption in grocery shops and food establishments, internet clubs, in the number of passengers in local transport (BG WP3&WP4 03).
- **The labour market**: ‘The refugees have started offering low-skilled labour – at car washes, on farms, in the sphere of transport’ (BG WP3&WP4 03).
- **The real estate market**: ‘There was a period in which all vacant dwellings in the town and even the villages were filled up...’ (BG WP3&WP4 03).
The dynamics of the refugee flow – after the peak in 2015 and 2016, the number of refugees in Bulgaria has decreased significantly¹ - was assessed in a complex way by the informants. The decrease in the number of refugees is assessed positively from the point of view of the atmosphere and calm in the town. The transit character of refugee migration, on the other hand, is not conducive to their inclusion in the local community.

Migrant entrepreneurship has a threefold positive impact: on the empowerment and successful integration of migrants, on economic development, and in the intercultural atmosphere (Policy Brief, Interview 2). The potential for entrepreneurship is illustrated by an asylum seeker from Iran, the father of four children, who opened a hairdressing salon even before he was granted refugee status. Another refugee from Syria did the same (Policy Brief, Interview 1). Some migrant entrepreneurs target migrant customers: ‘An Iraqi refugee opened an internet café. This internet café is mainly used by refugees’ (Policy Brief, Interview 4).

¹ Number of persons who sought asylum in Bulgaria 2010-2020

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<tr>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asylum-seekers</td>
<td>1,025</td>
<td>890</td>
<td>1,387</td>
<td>7,144</td>
<td>11,081</td>
<td>20,391</td>
<td>19,418</td>
<td>3,700</td>
<td>2,358</td>
<td>2,152</td>
<td>3,525</td>
</tr>
</tbody>
</table>

Source: State Agency for Refugees with the Council of Ministers
Social enterprises for/with migrants and refugees are a brand-new phenomenon in Bulgaria. Regardless of the long tradition of development of Bulgarian social enterprises (European Commission 2019), those working for/with migrants and refugees have appeared only in the last decade and, in this sense, carry an innovative spirit and can be regarded as pioneers. It is a positive trend that there is diversification of their activities even at the nascent stage – from multicultural catering to souvenir-making to outsourcing of data processing.

The most important impact is the empowerment of migrants. Migrants are active actors in a variety of functions and responsibilities – they are both managers and employees of social enterprises as well as key beneficiaries. A migrant employee in a social enterprise, who helps vulnerable Bulgarian citizens, is an example of active citizenship (Krasteva et al 2019) through solidarity and engagement.

Inclusive Intersectionality (Sauer and Siim 2019, Romero 2017, Collins 2019) is another positive characteristic of some social enterprises: they do not work with ‘island migrant communities’, they build bridges between different groups – for example, women refugees and migrants, Bulgarian children with disabilities, unaccompanied minors.

Most social enterprises have emerged and are developing in Sofia, where there is a large concentration of migrants and expertise in the NGO sector. Social enterprises for/with migrants and refugees are interested in Harmanli. One social enterprise has already included women refugees from the Registration and Reception Centre, while another social enterprise has ad hoc initiatives.

Among the difficulties and obstacles hindering the development of social enterprises, the following are particularly noteworthy: lack of support from the state, lack of expertise and experience, and need of training and exchange of experience with other countries with well-developed social entrepreneurship, as well as of more active inclusion of the new social enterprises for/with migrants and refugees in social enterprise networks. The business model of some social enterprises is still not sustainable, while others have had to move from one business model to another, in search of sustainability. A major obstacle is the lack of prospects for
professional advancement of the migrants who are included in the activities of social enterprises mainly as free lancers, be they data processing or doll-making.

The MIPEX conclusion on labour market mobility as halfway favourable - general access to the labour market continues to be favourable for long-term residents and open to immigrant entrepreneurs (Solano and Huddleston 2020) - is valid also for the Matilde region. The family migrants who are long term residents integrate well in the labor market. Immigrant entrepreneurs from Turkey, Syria, etc. are examples of creating new jobs for the local labor market or starting small family businesses.

A number of the companies employing refugees and migrants seek to combine interest in corporate profit with the business community’s social responsibility. Their experience is indicative of the local business community’s capacity to respond to the need of employment for refugees, as well as of its capacity and un/willingness to adapt to the mostly transit character of their migration. Different types of companies have been identified – some have employed and are still employing refugees and migrants, although in small numbers; other companies do not employ refugees anymore because of the transit character of their migration, a third group encompasses companies that open new factories in the region and are interested in the refugee & migrant labour force.

The establishment of the refugee centre in Harmanli has a social and economic impact: it is one of the largest employers in the town.

The social and economic impact of migration in Harmanli and the MATILDE Haskovo region varies from one migrant group to another. The refugees, especially in the periods when they are more in number, boost local business in the sphere of trade, services, real estate. The economic and social impact of amenity migration (Bordsdorf et al 2012) revitalizing the villages, boosting the local economies and repopulating depopulated areas is positive. This is a rare example of a rural migration in Bulgaria. They impact the local development by repopulation of villages with a declining population, renovation of houses, increased consumption of goods and services. Some amenity migrants become local activists for greening the villages and attracting co-nationals to migrate to Bulgaria by websites for the different villages and companies for real estate for migrants (fieldwork for WP5).
Xenophobia and lack of policy are key barriers to integration at national level (European Commission 2016, Pamporov 2010). They are only partially valid for the Matilde region, because of the specificity of regional migration profile. The amenity migration is positively perceived, as well as the entrepreneurial and the family migration. The lack of policy and negative attitudes are partially valid for the asylum seekers and refugees.

The key difficulties and obstacles hindering the labour market integration of refugees – both at the local and national levels (CATRO Bulgaria 2018) – are the transit character of their migration, their short stay, which has a negative effect on the willingness of employers to invest in their training and to employ them, as well as the inability to speak Bulgarian and the insufficient Bulgarian language courses. A significant obstacle is the skills mismatch between the needs of the labour market and the low skills of the majority of refugees.
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INTRODUCTION

BACKGROUND

The economic impact of immigration is widely debated, and Finland is no exception. Several previous studies show that immigrants initially perform worse in the labour market of their new home country than the native population. Over time, both income levels and employment levels of immigrants improve (Sarvimäki, 2010; D'Amur & Perin, 2010). Most immigrants start their working life in Finland in so-called ‘entry occupations’ (Forsander, 2002) and other low-paid jobs (Sjöblom-Immala, 2016). Entry occupations usually refer to the jobs migrants work in at the beginning of their stay in the new country. Those jobs are often precarious, low-paid and they do not meet the qualifications of migrants. In Finland these jobs are often in cleaning and service sector. In general, the most common sectors of employment for TCNs in Finland are cleaners and helpers; personal service workers; personal care workers; labourers in mining, construction, manufacturing and transport; sales workers; building and related trades workers (excluding electricians); stationary plant and machine operators; market-oriented skilled agricultural workers; Food preparation assistants; metal, machinery and related trades workers; and drivers and mobile plant operators (Statistics Finland, 2021).

In a region such as Ostrobothnia, heavily dependent on immigrant labour, the regional GDP could fall by 1.7 to 1.9 percent and investments could drop by 1.6 to 1.8 per cent without immigrants (Reini, 2012). Even if these figures are not updated, they represent the scale of the phenomenon. However, the impact by immigrants on fiscal and public transfers appear relatively small at a national level (Sarvimäki, 2010).
Immigrants are not only important as labour, but also for innovations, entrepreneurship and as consumers. Innovation and entrepreneurship play a key role for regional development. If a local or regional economy does not have sufficient savings to invest in capital or infrastructure, or if its market is too small, then its productivity level will remain low and will fuel a vicious circle of underdevelopment. Limited market expansion, low savings, and consumption reduced stock of capital in the economy and low income are all influential factors, and both supply and demand will be too low to trigger any expansion of the local or regional economy. The result is a vicious circle of underdevelopment (Figure 1; Capello, 2016). However, immigrant entrepreneurship and innovations by immigrants can break this development. This is the case when it comes to goods, but also for some services. In cases where the produced services are highly productive and capital intensive, then they can stimulate regional economic growth and development (Nijkamp and Poot, 2012).

Figure 1. The vicious circle of regional underdevelopment. Source: Modified after Capello (2016).

With one exception, this report follows the conceptual framework outlined for this project (Kordel and Membretti, 2020b). We do believe that human capital needs to be highlighted in the context of migrants’ economic impact. Human capital refers to education and training that makes human beings more productive. In short, it is about the stock of expertise accumulated by a worker. Increasing education, training and experience allows the work force to produce more output from the same level of physical capital, and hence are important sources of productivity increase (Becker, 1994; Mincer, 1993). In the modern knowledge-intensive economy, human capital is a pre-
requisite for economic growth and progress. The higher human capital a population has, the higher productivity and economic growth (Lucas, 2015; Barro, 2001; Romer, 1990).

This has a direct implication for this project. Case study regions with relatively low human capital (maximum compulsory school and lower secondary education) will struggle with low productivity and a low economic growth, while case study regions with a high human capital (tertiary education) will perform well economically (Capello, 2016; see Higano et al, 2002). Immigrants – TCNs or others – will not contribute to productivity increase and hence stimulate economic growth if they have a low human capital, but they will if they have a high human capital. Nota bene, this should not be interpreted that low educated immigrant’s labour force does not contribute to the economy, quite the opposite low educated immigrant labour usually takes jobs the natives do not want, and consequently mitigate bottlenecks in the production (Stark, 1991). Low educated immigrants are crucial for the local labour markets also in rural regions in Finland.

THE ECONOMIC CONTEXT

There are significant differences between the two Finnish case study areas. While most of the population in Ostrobothnia are Swedish-speakers and the Finnish-speakers are a minority, most of the population in North Karelia is Finnish-speakers and Russian-speakers constitute the second biggest language group (Pöllänen et al., 2021). The economic structures in the two regions differ as well. In North Karelia, the service sector (including the public sector) is the dominating economic sector; in Ostrobothnia SMEs and export-oriented industry (agriculture and manufacturing) dominate (Aigner-Walder et al., 2021). Unemployment in Ostrobothnia is below the national average and above the national average in North Karelia. However, the unemployment rate for TCNs in Ostrobothnia is 2.5 times as high for TCNs compared to Finnish nationals (Laine and Rauhut, 2021). The statistical data at the municipal level display a higher unemployment rate for foreign citizens in North Karelia (Statistics Finland, 2021). From what we know regarding the unemployment rate of EU citizens in Finland is that it is lower than for Nationals (Eurostat, 2021). The study by Larja and Sutela (2015) also points at a significantly higher unemployment rate for TCNs.
Both North Karelia and Ostrobothnia, as well as Finland as a whole, experienced a dramatic structural economic change during the first half of the 1990, which caused unemployment rates rocket (Pekkala & Kangasharju, 2002; Hynninen et al., 2009). The urbanised southeast of Finland (the triangle Helsinki-Turku-Tampere-Helsinki) profited from the structural change, while the rest of the country fell behind in relative terms. In North Karelia, a slower branch structure in the region than at the national level makes the branch structure obsolete. This results in slower economic growth than in the national economy. Ostrobothnia has experienced faster branch changes in the region than at the national level. The expanding branches are relatively labour intensive and low productive. However, the positive branch effect is not large enough to neutralize the negative structural effect, which results in an overall slower economic growth in the region compared to the national level (Eðvarðsson et al. 2007). Still today, the problems of de-industrialisation prevail (Valkonen & Vihriälä, 2014).

Apart from the regional capital Joensuu, the municipalities in North Karelia are rural and relatively small. In Ostrobothnia, the structure of municipalities is different. Besides the regional capital Vaasa, there are also several important population centres such as Jakobstad and Korsholm (Kordel and Membretti, 2020a). The TCN population in North Karelia is dominated by Russian speakers. Russian speaking immigrants have immigrated into Finland as so-called return migration of former Soviet citizens of Finnish origin, as marriage migrants, students and workers (Davydova 2009; Pöllänen 2013). As such, the immigrant population in North Karelia is relatively homogeneous, while in Ostrobothnia, the migrant population of region is much more diverse with many TCN’s moving into the region as labour migrants (Laine and Rauhut, 2021).

**DATA & METHODS**

The data in this report is collected through a set of semi structured interviews and focus groups that were done during the spring of 2021 to study the impact and integration of migrants in the case study regions of North Karelia and Ostrobothnia. Our main dataset is the interviews we conducted, focusing on economic impact. These consist of five migrant entrepreneur interviews, three interviews with the management of local companies with history of hiring migrants and two interviews with NGOs that also function as social enterprises. We tried to split these interviews
equally between the two regions, but we ended up getting one more entrepreneur and one company interview from North Karelia than in Ostrobothnia. We also held one focus group in Ostrobothnia focusing solely on economic impact. As this dataset is limited and as the separation between social and economic impact is ambiguous and often overlapping, we also used parts of the 18 stakeholder interviews (16 if you exclude the social enterprises as we also interviewed them with social impact in mind as well) and 3 focus groups we conducted with a focus on social impact and integration. Many of these also turned into discussion about labour market integration, the issues in it and the possibilities of migrants in them.

The dataset for the economic impact is relatively limited and some explanations for this can be identified. It has been a challenge to get people to participate in the interviews. In multiple cases a potential responded first accepted to be interviewed, but later declined participation. When seeking migrant entrepreneurs, we used local actors with good contacts, we had interviewed earlier, to find potential interviewees. Especially in North Karelia most of the potential participants we heard from our contacts declined participation or we heard nothing back from them. However, previous studies based on interviewing migrant entrepreneurs in western countries show that a high rejection rate is relatively common (e.g. Dannecker & Cakir, 2016). Because of scheduling difficulties, we conducted one of the entrepreneur interviews in written form through e-mail.

As we are researching rural areas the issue of anonymization is vital. Because of the low population even minor details can be used to identify the informants. At the same time, we must make sure that we provide enough information about the interviewees to not make the data too vague. Both factors must be taken into consideration with all our entrepreneur and company interviews as some operate in fields that are quite specific.

Another ethical issue to be considered is transcription and its translation. The quotations were first transcribed in Finnish word for word. After that the text was translated so that the sentence structure was kept without sacrificing the meaning of the informant’s words. This said, because of the differences in the original language and English some minor structural changes had to be made to make the intent clearer.
According to the standards of qualitative methodology, generalisations to the entire population cannot be made (Robson, 2010). The sample of interviewees are not representative, and hence cannot produce results that are possible to generalise for the entire population of TCNs in Finland, nor are they replicable. Rather than generalising the results from the interviews and the discussions in focus groups to the entire population of TCNs in Finland, this report has the ambition to explicate relevant analytical themes and stereotypes on aspects related to the Matilde Economic Dimensions (impact on economic growth, labour market, productivity, and innovation, and, finally, entrepreneurship) regarding the TCNs in Finland.
THE REGIONAL LABOUR MARKET

As mentioned before, human capital holds a key position in the functioning of the labour market and that a common way of measuring human capital is to look at the educational level of the population. Theoretically, low human capital would lead to lower employment rates and higher unemployment rates. Although there may be plenty of vacancies, these vacancies may target labour with higher levels of human capital. In labour market economics a situation where unemployed labour does not have the required skills for obtaining employment leads to mismatch and labour shortage (Elliott, 1991; Borjas, 2014; Bodvardsson and van dern Berg, 2013; Kondo, 2017). Labour shortage does not necessarily mean that there is a shortage of labour (a mismatch situation may exist), but that the employers are unable to pay competitive salaries to attract the needed labour (Fallon and Verry, 1988; Borjas and Chiswick, 2018; Kondo, 2017). Labour markets in smaller regions are more vulnerable to this compared to bigger regions (Capello, 2016).

The indicator for educational attainment displays a troublesome development. In both North Karelia and Ostrobothnia, as well as in Finland in general, the TCNs with the highest education of primary school or lower secondary school is much higher than for native labour. At the same time, the share of TCNs labour in Finland with a maximum education that equals upper secondary and non-tertiary education is lower than for native labour in both regions. This finding is positive. However, for tertiary education, the share of TCNs is significantly lower than for the natives. The trend in tertiary education displays an increasing divergence in human capital between natives and TCNs, which is troublesome. As the Finnish labour market is relatively knowledge-based, the relatively low educational levels of TCNs make it more difficult for them to enter the Finnish labour market. The TCNs having a significantly higher unemployment rate than natives in the two case study regions is a logical outcome of the lower human capital (Laine and Rauhut, 2021).

The labour market is highly segregated in the two case study regions. A larger share of the TCNs are employed in unqualified jobs relative to the native labour (Aigner-Walder et al., 2021). This can be explained by a lower human capital, but this is not the only explanation to this. A misuse of human capital is also common:
The interviewer: “This already goes a little bit to the next question but is it so that those who arrived in 2008 were employed in production, even though they were these [university students] and that after, if they have stayed, they have advanced to some kind of office work. How has this gone?”

FIO19: “They have been able to advance quite poorly and when... Yes, it has happened but too little in my opinion and the main hurdle is the language. If you don’t speak Finnish, it is very hard.” (WP4FI035)

Data collected in Ostrobothnia shows that the problems or challenges also simultaneously involve an issue of attitude, in addition to a linguistic dimension. According to one of the informants, there are three major immigrant groups that should be considered regarding work and integration: labour, family and humanitarian migrants. The problem is that these migrant groups are integrating in local labour markets just partly and that is how their impact on the local economic sector is limited. So, quota refugees and asylum seekers often find it much more difficult to enter the labour market, while labour migrants already are in the market when they enter the country. This also means that the labour migrants have access to the social insurance system faster. Furthermore, the group of international students is also a challenging group. These are generally very difficult to keep in the country after they have received their degree. The issue is that immigrants enter the country from such different backgrounds and this fact should therefore be taken into account in the process of integration.

Furthermore, the immigrant’s level of education and language skills often constitute an obstacle to employment. In Ostrobothnia these aspects are often interrelated while in North Karelia the high-tech companies did not see the language as a barrier because the field was so international. In North Karelia, the experts in high-tech companies were using their native languages (e.g. Russian) or English as a working language. The data collected in Ostrobothnia shows that language skills are more important in some industries and positions.

During the focus group interview in Ostrobothnia, several of the participants complained about a persistent labour shortage of qualified labour in some branches. In other words, labour
with human capital matching the job tasks was not possible to find. The branches suffering from labour shortage were under pressure from an international competition, and the labour costs in Finland are relatively high in an international comparison.

FIO22: “[Our] labour costs are also not the lowest compared to [our] competitors /.../ for cost reasons you try to find solutions where you can reduce, so to speak, manual labour.” (WP4FI036)

To attract labour, the employer could increase the wages, but with higher labour costs, the companies might price themselves out of the market. Hence, a labour shortage emerges. The employers have to target labour which is willing to accept low-paid jobs, seasonal employment etc. The alternative is to replace labour with capital, i.e., machines, which will increase productivity. However, this requires a higher human capital from the labour.

In some cases, the competition is so hard that the companies do not have the money to invest in a more capital-intensive production. Then using immigrant labour is the only way to keep up the production (Stark, 1991; Piore, 1979). According to the focus group interview conducted in in Ostrobothnia it seems, that for immigrants who want to use, and even profit from, their human capital at the Finnish labour market, two options are at hand (WP4FI036): 1) to become entrepreneurs, or 2) to leave the region. There is no major difference between natives and TCNs in this aspect.

In both case study regions, the integration of TCN’s into the local rural communities, so that they could impact on regional and local economic development and vitality of the region, is a weakness (see Makkonen & Kahila 2020). Especially asylum seekers and refugees tend to move to bigger cities in Finland. The second group which does not integrate into local communities are international university students. As these TCN groups are only partly integrated, firstly to society as a whole and secondly to the labour market, this also means that their possibilities to impact host communities are limited. If we could better resolve the problems in their holistic integration, which includes labour market inclusion, these TCN groups would be highly valuable for local and regional economic development and to the vitality of the regions.
However, there is also a cost for the rationalisation of the economic structure in peripheral areas. Given some assumption, it may be less costly to keep these regions alive than to let them be drained of people, capital, and investments (Wannacott and Wonnacott, 1986; Begg et al., 1987; cf. Rauhut and Hatti, 2021). A relatively small number of labour immigrants in low-productive and labour-intensive branches can keep the business going, and hence save the jobs for a multiple number of natives in the same region. If the business keeps going, the government will still receive tax revenue (from the employees and companies) and consumption will be upheld, but if labour is replaced with capital, people will be unemployed and there will be a cut in tax revenues and consumption. This will be a net cost for the government. This argument is related to what is termed the ‘social contract’ (Rauhut, 2018). These aspects will now be discussed in the following sections.
The social and economic development of the regions are often intertwined. While the global economic and geo-political order has been under major changes during past decades, and recently the COVID-19 pandemic has affected the economic structures of the countries and regions, the re-thinking of way of evaluating economic impact is topical. In the framework of the MATILDE-project, the sociological concept of foundational economy is used as a tool for this re-thinking. The foundational economy is defined as a framework, which “is built from the activities which provide the essential goods and services for everyday life, regardless of the social status of consumers” (MATILDE, 2021). The impact of TCN’s on development of infrastructures, food processing, retailing and distribution, health, education, and welfare are seen as contributors to these sectors, and as final users of these products and services. According to MATILDE (2021), “foundational economy represents the basis of social and territorial cohesion at regional and local levels, in terms of integration of the newcomers as well as shaping quality of life and opportunities for the entire population.”

This chapter uses the sociological concept of foundational economy to discuss the role of TCNs in regional development in terms of innovations and changes in business culture. In addition, chapters 3 and 4 highlight many of the positive side-effects of TCN immigration. In economic theory, such side-effects are called externalities. An externality is a positive or negative side-effect of an economic activity.

**THE ROLE OF SOCIAL ENTERPRISE**

Based on the Act on Social Enterprises (1351/2003), the Ministry of Economic Affairs and Employment of Finland (TEM, 2021) defines social enterprises as follows:

“The purpose of social enterprises is to create jobs in particular for the disabled and long-term unemployed.
Social enterprises are no different from other companies, as companies. They produce goods and services for the market and try to make a profit, the same as any other business. A social enterprise can operate in any sector or line of business. It pays all its employees a salary under a collective bargaining agreement, and it always has an entry in the Finnish Trade Register.

The difference from other companies lies in the fact that at least 30% of the employees in a social enterprise are disabled or all are disabled or previously unemployed in the long term. In addition, the company must have an entry in the register of social enterprises held by the Ministry of Economic Affairs and Employment. Only a company with an entry in this register can use the name and business ID of a social enterprise in its business operations and marketing.” (Act on Social Enterprises, 1351/2003)

In this study the organisations we have defined as social enterprises are NGO’s which have operational activity in improving the labour market integration of certain groups. These groups can be long-term unemployed people, disabled or migrants. The migrant’s integration into Finnish labour market was not the main focus of two studied social enterprises but supported it as a side effect of their activities.

The social enterprises in two studied regions are in marginal position in terms of economic impact but from the point of view of foundational economy their role increases. In our data collection process, we were unable to find any social enterprises which focus only on immigrants and their labour market integration. However, it appears that the studied social enterprises have a significant role at least at the local level in integrating TCN’s into the communities and host society socially but also economically. For many TCN’s the studied social enterprises have been the bridges to the host society. The supported training periods and internships TCNs have been doing in these organizations have been working as entry occupations (see Forsander 2002) to better integrate into the Finnish labour market.

The two social enterprises are focusing on people who are in danger of marginalization, and therefore their impact for immigrant’s everyday life is crucial. It is important that immigrants have
possibilities to participate in Finnish labour markets. The social enterprises are offering these possibilities. For TCN's it is possible to have internships in these social enterprises. As a conclusion, every TCN who has experience of Finnish labour market, no matter if it is part-time work experience or internship, will impact for host society. In addition, the internships will improve immigrants’ opportunities to gain full time jobs later. This has been emphasized in previous research as well. For example, Pöllänen and Davydova-Minguet (2017) have noted that Russian immigrant women who have had opportunity to participate in public policy labour market actions are in better position in precarious labour market than those, who do not have this opportunity.

THE IMPACT ON ORGANISATIONAL AND BUSINESS CULTURE: COMPANIES

In both studied regions In North Karelia and in Ostrobothnia there are economic sectors which are highly dependent on TCN labour force. In Ostrobothnia, these sectors are more based on the food industry and manufacturing, while in North Karelia many high technology companies are dependent on immigrant labour.

In Ostrobothnia, the agricultural sector and food production industry, as well as fur farming, are highly dependent on immigrant labour. To a significant extent, the jobs offered are seasonal and without labour willing to take these jobs, these branches would not survive. However, also the export-oriented manufacturing industry in Ostrobothnia is dependent on immigrant labour, of which many are TCNs. During the focus group interview, it was clear that the aforementioned branches are under pressure by hard international competition. In comparison to international competitors, labour costs in Finland are relatively high and cost reductions are needed. In economic terms, these branches in Ostrobothnia suffers from a structural rationalisation, a process where immigrant labour is important to keep these branches alive.

Parallel to this, the focus group interview revealed that it is also evident that immigrant labour – both intra-EU migrants and TCNs – have vitalised the economy in Ostrobothnia. The service sector has expanded in a way that was difficult to foresee. Shops, restaurants, industrial cleaning, and personal services are examples of branches where immigrants have made most valuable contributions to economic life in Ostrobothnia.
The focus group interview conducted in Ostrobothnia revealed challenges regarding the economic impact of immigration in the Jakobstad region. Among other things, questions about attitudes, language skills and matching between work and needs were discussed. It is a fact that the Jakobstad region has a shortage of qualified labour in several industries. This applies to several sectors and both blue- and white-collar positions. With no available labour in the region, or in the country, the employers must look for skilled labour outside of Finland. To a large extent, the labour market in Ostrobothnia is ethnically segregated. For example, Ukrainians usually work in the fur industry while, for example, Vietnamese and Bangladeshis work in the food industry and the manufacturing industry. To sum up, Ostrobothnia struggles from labour shortage to its key branches. The region is dependent on and benefits from TCN work force to keep its core industries going.

In the interviews conducted in North Karelia, the informants from the high-tech companies were telling that one reasons they have set up their business in North Karelia is the presence of University of Eastern Finland. The companies’ activities were connected to the activities of UEF, where photonics is an influential field of study. The multidisciplinary research community of photonics in UEF is internationally in a high level and it co-operates with these local companies in many ways, for example through equipment lending. The informants told that in their sector of industry the peripheral location of the company is not an advantage, but it is not a disadvantage either. One interviewee told that as their market is global, and Europe or Finland are not central regions in their field of work, it does not make a difference if the business is set up in a rural or urban area. While these informants had had some difficulties with recruitment because of movement restrictions caused by the pandemic they had managed to employ qualified personnel into North Karelia. The other pointed out hardship in recruiting natives who might not want to move to the region, but both had had little trouble in recruiting from abroad. One informant saw rurality as a strength because of the stability of workers.

“FIK28: Well one strength we see is that the personnel turnover has been low. If some has decided to come here, it is obvious that he has liked certain things and likely the person will stay in the area.” (WP4FI039)

www.matilde-migration.eu
The “certain things” referred in quotation are referring the image of the region: nature, easiness of the everyday life and spaciousness of the environment and housing.

The informants of high-tech companies in North Karelia said that their culture of doing business has always been international, and their intention to employ qualified personnel is international. Both informants from high-tech companies in North Karelia told that they always want to hire the most qualified workers and specialists and it is a fact that in most cases this means that these experts come from abroad, especially from Russia. During the interviews we did not speak about salaries or other economic benefits with the informants. However, it seems that employers do not have difficulties attracting international experts to North Karelia. This is probably due to several reasons, but it might be that these companies are well-known internationally and North Karelia is also familiar destination for Russian speaking immigrants. One informant told that he tries actively to work to change the business culture in North Karelia and act as a positive example of an employer who employs TCN's to diminish companies’ prejudices towards workers of foreign origin.

In Ostrobothnia, the large company who employs TCN's in food industry benefits from TCN workers, who mainly come from Asian countries. The informant from the company feels that in their recruitment culture the applicant's background is not important. As TCN migrants have had an impact on this company's recruitment policies, they are more open towards migrants these days. The informant told that they have a long history of employing TCN's in production on the production floor. The company is not recruiting workers from abroad, but TCN's who have originally immigrated to Ostrobothnia as students or as family migrants have found working opportunities from the company and the company has been very happy with TCN workers. The informant said that nowadays good reputation in employing migrants is benefiting the company and they have acquired new labour through this way. When asked about changes in business culture, the informant told that the company has less prejudices than maybe some other companies and it is not a problem for them to hire immigrants into their company.
One known problem (e.g. Mäntymaa, 16.9.2020) with the workforce coming from outside the EU is the work permit procedure. The process can take a long time before the applicant can start working and this is slowing down the supply of labour in fields that are suffering from labour shortages. This issue was also raised in many of our interviews. However, the collected data is ambivalent on this as only the high-tech companies had a history of recruiting directly from abroad. Those companies have long-term experience of employing migrants outside the EU. The other had also received aid from the local development company in their most recent recruitment. In their strategies the primary focus is on acquiring experts, and according to interviews, the background of the experts is not important.

FIK25: “...I really should answer that we have not at any point had restrictions on whether it is a foreigner, is it a man or a woman, but for what we are looking for, it is possible to recruit regardless of those...” (WP4FI033)

THE IMPACT ON ORGANISATIONAL AND BUSINESS CULTURE: SMALL ENTERPRISES

The small enterprises run by migrants in the studied regions are mostly in labour intensive sectors (food, shop keeping, cleaning etc.). These businesses normally employ the owners but especially in Ostrobothnia the migrant owned entrepreneurs we interviewed are also employing other workers, mainly other immigrants. The owners of these companies did not see too many differences in business cultures between migrant owned firms and firms owned by locals.

According to the data collected for this research it seems that at least in North Karelia where the general unemployment level is one of the highest in the country some migrants become entrepreneurs, because they have no other paths in the Finnish labour market. This phenomenon of forced entrepreneurship is also noticed in previous studies (Joronen 2012), and it is supported by our data as well. One of the three entrepreneurs we interviewed started his business after he failed to acquire a job elsewhere. The forced entrepreneurship is usually talked in terms of TCN’s with high level of education setting up restaurants or other food production enterprises, yet our informants’ business was a store.
The innovation aspect of companies owned by TCNs is also ambivalent. It seems that most (forced) entrepreneurship among TCNs is in already established sectors (e.g. cleaning, food production). On the other hand, we had the possibility to interview entrepreneurs who had formulated new concepts on the traditional business sector. One example of these was a small business travel agency operating in North Karelia and other parts of rural Finland. The business had two owners and we interviewed one of them. He told us that they have developed the concept of sustainable tourism where guided tours in rural Finland were organized for tourists mainly from Asian countries. One way of performing sustainability was that travels were done by using public transportation. The informant emphasized that in their business the important thing is to establish contacts between local service providers. In addition, he emphasized that their own international and national contacts are crucial thing to make their sustainable tourism business vivid. Also, in Ostrobothnia the informant, who worked as business advisor for immigrants, was eager to encourage TCNs to use their international contacts to improve their possibilities to set up own business.

FIO22: “Those who come to us and start companies, some of them have worked quite well to do business with their home countries. There may be some new thinking. For example, there may be a need for products that we no longer use. But in terms of innovation, I cannot say that I have examples of someone having started with something that is very new and innovative. Unfortunately, I do not have many local companies that have started with such things. However, it is quite a traditional industry: service industries most often (--). [First] you work and then you start as an entrepreneur in addition to your job. The first customer is the current employer and then maybe you grow and become a full-time entrepreneur. But in terms of innovation, I do not really know what I would highlight for example of such. They are just as common as any resident in the Jakobstad region. You have a fairly common idea that you start working on and then take it further. This additional aspect, which I would like to see more occur, is that you can take advantage of your contacts in other parts of the world and in that way get the business to find such forms that you do not find locally.”(WP4FIO36)

One fascinating detail about migrant’s entrepreneurship in North Karelia was having sustainability in their company’s leading idea. There was a shopkeeper in a small municipality in
North Karelia, who told that his company is marketing products, which are produced in a sustainable way. He also said that he takes products which are produced by local entrepreneurs, and he also wanted to support female entrepreneurship around the area and across the country. Even if female entrepreneurship is not a new phenomenon in Finland (e.g. Kovalainen 1993; Koski & Tedre 2004) this kind of strong statement of combination of sustainability, equality and locality is new and positive impact, which is a result of TCN entrepreneurship.

In Ostrobothnia region the TCN entrepreneurship took place also in new fields of operation. The informant told that in the location where his business operates there were no food delivery services, such as Wolt or Foodora, operating before and he realized that this could be good way to impact on local community and also to make a profit. While the business was planned for a longer period, the informant launched it during the COVID-19 pandemic. The pandemic has boosted his company and he felt that he has been impacting the local community and his business has been mostly welcomed warmly in the area.

According to the data collected it can be said that there is a lot of potential in TCN entrepreneurs and businesses to make new innovations and change the contemporary business culture in the studied regions. If the general atmosphere towards migrants is positive this potential can be achieved. To sum up, the impact of migration on the business culture in the regions studied is evident. TCNs agency for local vitality and business culture is still a little bit unused, but it can be utilized more if the presumption of vitality policy in the regions is taken seriously. As Makkonen and Kahila (2020) point out when thinking about economic conditions of the region, the so-called soft factors (like social and cultural indicators, attitudes, and good population relations) should be included when focusing on functionality of regional development and potentiality for new innovations.
IMPACT ON COMMUNITY AND TERRITORY

Migration has affected the two studied regions and local communities in many significant, but in somewhat distinct ways. The TCNs impact on economic life, regional development and rural vitality have different impacts in North Karelia and Ostrobothnia. The following chapter considers this issue more thoroughly.

THE ROLE OF RURALITY

In the conducted interviews, the rural place was often seen as an advantage for the established businesses, because there was less competition in rural surroundings; in many cases the business was set up in the sector, which did not have other companies operating. Moreover, the image of rurality was seen as an advantage (see also MATILDE, 2021). In the Ostrobothnia region one interview (WP4FI035) was conducted in a major company, operating in the food industry, and where a significant number of workers were TCNs. The company is well-known in Finland and its’ business strategy in many parts is based on the image of its’ rural location and family business. In Ostrobothnia, immigrant labour, including TCNs, has enabled some companies to remain in the region by mitigating a labour shortage. Nowadays the international students are a valuable work force for the company. However, it was also stated that there is a labour force mismatch. Many workers in this company are either studying for a tertiary degree or already have one. As evident in the interview quotation in Chapter 2, their human capital is under used and they are mostly working on the manufacturing floor. In focus group in interview conducted in Ostrobothnia it was noted that the poor proficiency in the local language and a poor education prevents TCNs from leaving the factory floor. It was also mentioned that there is a demand for white collar office workers in the region, but it requires language skills most immigrants do not have.

As said before, in North Karelia, the two high-tech companies interviewed (WP4FI033 & WP4FI039) were assuming that in their case the rural location is not an advantage or a disadvantage. They feel that the business and market are spread out globally and the actual location of the company within Finland does not have any significant effect. The informants thought that the companies have an impact on the local communities at a more general level,
through recruitment of a new workforce to the area and through interaction with different actors (e.g., NGO’s, companies, and local dwellers). The companies and their immigrant workers are creating tolerance and good population relations in the region and mutual interaction between locals and newcomers is increasing.

The high-tech sector is one of the strategic goals of economic development work in North Karelia and the importance of high-tech companies is evident as a factor of regional vitality (Regional Council of North Karelia, 2017). According to Makkonen and Kahila (2020), regional vitality is a summary of many structural/societal and individual/everyday factors, where the economic vitality of the region is dependent on the indicators of individual's and families' welfare. Informants were pondering the question of how well rural North Karelia will fulfil the expectations international experts have for their everyday lives. As an advantage it was said that everyday life in North Karelia is secure and the possibilities for leisure time activities in the region are good. Everyday security was seen anyway as an unquestionable advantage of the region, and it has been highlighted during the pandemic as the situation in North Karelia has been better than in many other places.

The small enterprises studied in North Karelia have built their businesses in the context of rurality. The place-based ideology was especially taken into account in the small company, which offered travel services for mainly Asian tourists. The company builds up on the concept of sustainable and nature tourism. The rural North Karelia was benefiting the entrepreneur to develop his concept further. For this business rurality was the framework to make a profit and develop its’ activities, and as a side-effect the regional vitality of the area was also improving.

To sum up, it seems that migrant entrepreneurship has been an energising injection to the regional economies in the two case study regions by offering services that usually are scarce in rural areas (such as restaurant services or food delivery services). It is to be said however that in many cases migrant entrepreneurship is forced entrepreneurship and TCNs start their own business in order to employ themselves and family members or co-ethnics. All the interviewed informants who worked as entrepreneurs in two studied rural areas felt that they are settled down in their region and they wanted to do useful things for their region, to participate in developing
their rural surroundings. All the informants also said that they do not have plans to move away from the region, and moreover they were happy with their rural surroundings.

According to the interviews (WP4FI030, WP4FI037, WP4FI038), the informants thought that the local community is mostly welcoming towards them, and their business is increasing the local vitality of the region. Many informants also said that they had gotten support from local authorities and business advisors during the time when they were planning to establish their business. It seems that this kind of good practices where local officials are really concentrating on migrant entrepreneurship issues makes a good influence for rural vitality and immigrants’ potentiality for economic life can be utilized. In Ostrobothnia, the Jakobstad Region Development Company Concordia was also mentioned as important institution which helped the immigrant entrepreneurs. It seems that there are institutions and individual officials, who have realized the potentiality of TCN entrepreneurship, but there is still labour market mismatch and the full potential of the TCNs in the economic sector is not utilized.

**TRANSNATIONAL WAYS OF LIFE AS A COMPETITIVE ADVANTAGE**

TCNs role in regional and local development in studied regions are different. In North Karelia, the dominant migrant group is Russian speakers, who in many cases have vivid everyday transnational contacts to Russia. When referring the Russian speakers as minority group it needs to be understood that during the Soviet period, Finland and Russia (the USSR) had complicated and conflict-loaded relations. Though, these relations also defined the character of migrations between the countries till the end of the Socialist regime and even further. For instance, after the defeat of the Reds in the Finnish Civil War (1917-1918) which followed the Russian revolution, more than 30 000 Finns defected from Finland to Russian adjacent areas (Karelia and Leningrad) in 1918-1930s (Takala 1998), and over 60 000 of so called Ingrian Finns were evacuated from Leningrad area during the World War II to Finland and then returned to the Soviet Union after Finland’s defeat in 1944 (Suni 1998). Descendants of these people with their family members were granted the right to “remigrate” to Finland in 1990. (Davydova 2009.) For these and several other historical reasons, the notion of “Russians” in Finland is fuzzy and fragile, and we, as many other social scientists are using inclusive definition of Russian-speakers to define ethnically, culturally,
historically diverse group of people who have “roots” in Russia/the Soviet Union. However, the definition of Russian speakers may be seen as problematic and blurred in some cases, for example, Estonians. Although Estonia was part of the SU for over fifty years, the attitude towards Estonians in Finland was defined by the concept of cultural and linguistic closeness of Finns and Estonians. In Finnish context Russian speakers refer both to the minority and migrant groups. In this study all the informants are Russian-speaking migrants. The term ‘Russian speaking’ refers to ethnically, culturally and historically diverse group of people who have their roots in Russia or Soviet Union, but they are not necessarily Russians or Russian citizens. The concept ‘Russian speakers’ is commonly used in migration studies.

Russian-speaking TCNs are in many cases integrated into local communities well and they are also working in many different occupations. In previous studies (see e.g. Jokinen & Jakonen 2011) Russian speakers are seen as care resource in local labour markets in North Karelia as there are a care deficit in the labour market due to demographic issues. On the other hand, the presence of Russian speakers in North Karelia is increasing the multiculturality of the region and “boosting” the cross-border co-operation between Finland and Russia. In the interview conducted among local authorities, who are working as business advisors in North Karelia, it came out that there are several companies and smaller enterprises run by Russian speakers. The business is often set up in the economic sector, which can be defined as ethno-cultural. By this we mean that Russian entrepreneurs can benefit from their know-how about Russia and also use their language skills and vivid social contacts (see also Könönen 2011; Pöllänen & Davydova-Minguet 2017). In addition, there were Russian entrepreneurs in many diverse economic sectors (e.g., construction and service sector). Many companies run by Russian speakers have contacts in Russian side of the border and their business is in one way or another connected to Russia: the company may have trade between Finland and Russia, or the company might recruit personnel from Russia. The Russian speakers operating in business life in North Karelia are intricately connected to transnational everyday life.

In the border region of North Karelia, the border between Finland and Russia defines the region in many ways. The border and short proximity to Russia is also considered as one of the strategic strengths of the region. The short proximity to Russia also means that there are municipalities in North Karelia where the number of Russian speakers is high, this also gives
opportunities for Russian speakers to set up business, which benefit from the Russian speaking clientele. One example of this kind of business is the hair salon owned by Russian women in rural town in North Karelia. She told us that her business strategy is partly based on Russian speaking clientele. She said that her hair salon has a significant role in the community where she lives, Russian speakers can have service in their own language in her salon, they can also have service in “a way” they are used to, and the time spent in hairdresser gives opportunity to change news. She feels that her hair salon is an important part of the local community in terms of multiculturality and it is a place which builds up bridges between locals and Russian speakers. In rural communities even this kind of small-scale activity can have a significant role in the local social life. Even if the hairdresser is an entrepreneur her business makes changes on the everyday level, because it enhances good interethnic relations and gives to Russian speakers the possibility to have these services in their local surroundings instead of travelling to Russian side of the border or bigger urban towns.

THE IMPACT OF SOCIAL ENTERPRISES

The impact of social enterprises in two studied regions does not only limit the economic impact for regional development. Even if the number of social enterprises is minor their impact on local communities and TCN’s integration into the host society is still significant. Social enterprises also are key actors in some cases in improving the possibilities of TCNs to use or develop their human capital in the new society. The social enterprises which we have studied are operating at a local level and their impact is very much connected to social impact. On the local municipal level these social enterprises have a significant role as a producer of social services for the members of local community and producers of integration services for TCNs.

The social enterprise studied in North Karelia for example had been inspiring many TCNs to seek for an education in order to become an expert in child and youth work. The social enterprise was offering on-the-job training periods and wage-subsidy contracts for unemployed people, including TCNs, and after these training periods many TCNs started youth work education. This is important in terms of TCNs improving their human capital.
FIK15: “Well, at least with those working with pay subsidy there often opens a study route. So, they go and study the line of work and maybe that way find it [work]. Some of them have moved, especially those we have had as immigrant workers, some of them have then moved to Southern Finland. So, I don’t have exact knowledge of everyone but quite many have maybe left to study the field.”(WP3WP4FI022)

The social enterprise studied in Ostrobothnia is concentrated on helping the marginalised youth or young adults who are at risk of becoming a NEETs. Their activities involve both local and immigrant youth. This social enterprise is complementing municipalities’ social work and social services in terms of youth work and the municipalities are buying these services from this NGO. The impact of this NGO, which we have defined as a social enterprise as it provides training and work try-out places for young adults, is significant in the region. As it is operating as a partner with the public sector it also has more recourses than the parallel NGO in North Karelia, which does not have these strong connections even though it receives its funding mainly from public outlets. The informants told that despite the pandemic they had 90 young people in training or in work try-out during 2020 in Ostrobothnia, while in the NGO in North Karelia the number was 20. These actors are also impacting a much larger group of people, TCNs and locals, in organising various kinds of activities for families, children, young people and individual adults.

FIK15: “Well, the aim of our operations is to support families with children in their everyday life, supporting parenthood and support for children and families. Encounter work is our tool and the open meeting place activity. In addition, our second goal is to specifically support integration of immigrant families.”

COVID-19 – OBSTACLES AND OPPORTUNITIES

The COVID-19 situation was discussed in all interviews conducted for this study. As It can be assumed different fields were hit differently with the effects of the pandemic and the restrictions to movement that came along it. Those working closely suffered more than those who had the ability to work remotely. This was also apparent in the interviews as our informants’ field varied a lot.
FIK29: “When the Corona pandemic came to Finland in March 2020, work stopped on the spot. People did not dare to go anywhere. In one day, I had one or two customers. It lasted for multiple months. Then, when the elderly were given a permission to be on the move, gradually they began to come. Almost all joked that now the Corona hair must go…” (WP4FI040)

Few of the entrepreneurs had started their business just recently, and some informants did not have experience of entrepreneurship before the COVID-19 pandemic. An informant in Ostrobothnia was directly saying that his new business was benefiting from the pandemic because his company was producing food delivery services. This is a sector where the pandemic period has opened new possibilities and the business has become profitable.

The sector which has suffered from a pandemic the most is of course tourism, and this was stated in interviews as well. The informant who operates in tourism sector said that it has been difficult to start a business and make innovations in the sector in a situation like this. However, he was very optimistic for the future, and he was also wondering that the location of his business in rural areas in Finland helps him to survive and start touristic activities soon again.

All in all, it can be said that the influence of COVID-19 has been ambivalent, and much is dependent on the economic sector business is operating in. In the food industry the pandemic has had a different effect on the restaurant sector, than on food production and delivery. COVID-19 has been disadvantaging restaurants, which have been suffering from lockdowns. On the contrary, food production and especially the food delivery business has benefited from the situation. The tourism has suffered most, but there is a lot of optimism in the air, the entrepreneurs are wishing that once the vaccinations are spread and the situation is getting better maybe the rural areas are even benefitting from the situation because they are seen as safe surroundings (see also MATILDE, 2021). In some cases, when the entrepreneur had started his business just recently it was still too early to evaluate the impact COVID-19 has had on their business.
THE CHALLENGES TO RURAL DEVELOPMENT

One economic aspect of importance, brought up by the focus group in Ostrobothnia, was that immigrants tend to move away from the region to places with jobs. This means that valuable human capital and labour is lost for the region. Moreover, it reinforces and even exacerbates the labour shortage in the region. As this is a constraint for economic development, this is a particularly important economic aspect we must highlight. That people move from regions with low wages, high unemployment, and bad service provision to regions with high wages, low unemployment and good service provision is the starting point for economic theories of migration (Massey et al., 1993; Schoorl, 1994). Seen from this perspective, it is rational that natives and TCNs leave rural and peripheral regions such as North Karelia and Ostrobothnia and head for Helsinki, but also Tampere and Turku. They will then get a better profit from their human capital and the production in the rural regions will undergo a rationalisation where labour will be replaced by capital. That such a process takes place was confirmed during the focus group interview in Ostrobothnia. Same was also noticed in North Karelia. During the interviews, a constant concern was that TCNs, and especially those with a background as refugees or asylum seekers, are eager to leave the rural areas for the more vital regions and bigger cities in the southern part of the country. This is also noted by previous research, which points out that bigger cities are attracting newcomers with better job opportunities but also that migrants’ networks are better in them (Sjöblom-Immala 2016; Saartteenoja 2010; Pöllänen 2020).

Wealthy and economically prosperous regions attract human capital from other parts of the country as well as from other countries. This will, as mentioned earlier, increase the pressure for rationalisation in the regions losing human capital. Although these regions cannot keep the labour with the highest human capital, it is not a catastrophe. Roberta Capello (2016, p. 155) argues that “backward regions offer locational advantages due to their relatively lower wages and unit labour costs, and therefore attract capital (at least they do so in the one-sector model) which increases the competitiveness of local industry. Traditional labour-intensive manufactures may therefore be advantageous to backward or relatively newly industrialized areas.” Seen from this perspective, immigrant labour in low-productive and labour-intensive branches are valuable for these rural and peripheral host regions.
Two aspects need to be considered here: the labour market needs of the region and the wish of immigrants to maximise profit to the highest possible extent from their personal human capital. The interests of the regions and the individual immigrants do not have to coincide, which causes problems. In this particular case, the immigrants will leave the remote areas and head for the bigger cities. Such development can, at least theoretically, just be solved by two means: 1) legislate that the immigrants are not allowed to move from remote areas to cities, which would violate all rights of individuals in western liberal democracies, or 2) provide them conditions that make the alternative cost for moving too high (e.g. permanent job contracts, relatively well paid, access to housing and services etc. which they would not have in the same way if they moved to bigger cities). By doing this, the region could become more attractive for immigrants.

In the study on Ostrobothnia, Reini (2012) concludes that the impact of immigration on the surrounding economy is twofold and much depends on the structure of the region’s economy: whether additional labour can be utilized, and whether the economy can expand. If the region is otherwise vital, as for example Ostrobothnia in Finland is, then the effect of immigration is to support the region's economy and increase its vitality. On the other hand, if the vitality of the region is already questionable and the already weak employment situation prevails in the region, the increase in immigration will further complicate the situation. However, the strategic importance of immigration may be central in an otherwise declining region, such as border region North Karelia, where Russian speakers and Russia and high technology play a key role in the region’s growth and vitality (cf. Municipal Strategy and Action Plan; Regional Council of North Karelia 2017).

As rural and other relatively economically backward regions may have competitive advantages in maintaining low-productive and labour-intensive branches, these regions will be stuck in a vicious circle of underdevelopment (see figure 1). If a local or regional economy does not have sufficient savings to invest in capital or infrastructure, or if its market is too small, then its productivity level will remain low and will fuel this circle. Limited market expansion, low savings, and consumption reduced stock of capital in the economy and low income are all influential factors, and both supply and demand will be too low to trigger any expansion of the local or regional economy (Rauhut and Rauhut Kompaniets, 2018).
This report discusses the economic impact of TCNs in the two Finnish regions North Karelia and Ostrobothnia. Both regions struggle with demographic ageing, and, in the case of Ostrobothnia, also labour shortage. The indicators used are grouped in four dimensions according to the MATILDE Economic Dimensions (MEDs): impact on economic growth, labour market, productivity, and innovation, and, lastly, entrepreneurship. The empirical material is based on interviews and focus group discussion. Local, regional, and national actors from the public sector, the private sector and the third sector are represented in this material. However, the MEDs cannot be understood unless the context in which they operate is discussed. Makkonen and Kahila (2020) point out that new policy tools are needed in rural regions to counterbalance the global urbanization development trends and one new concept to influence development of rural areas positively is vitality policy. In the core of vitality policy various aspects of human life are evaluated and emphasized in equal terms. Makkonen and Kahila (2020, 11) argue that “Vitality policy is a holistic development approach that aims at enhancing both the hard (related to traditional enterprise and industrial policy) and the soft factors (related to the wellbeing of citizens and communality) that shape the influx of migration to and from rural municipalities. Vitality policy also encourages municipalities to strengthen the horizontal cooperation between different policy branches, as concentrating only on certain aspects of rural development, such as enterprise and industrial policy for creating jobs, does not suffice anymore to guarantee in-migration.” The benefit of vitality policy is that it can trigger a positive development cycle leading to in-migration and subsequent economic development, which then supports the growth of local firms via the improved availability of skilled workers leading to increased employment rates, while also broadening the tax base. (Makkonen & Kahila 2020, Sireni et al. 2020.) Without a vitality policy, the optimal impact of TCNs on the MEDs will not be achieved. This becomes obvious when discussing TCNs and the MEDs in the two case study regions.

Regarding the first MED, the impact of TCNs on economic growth suggest ambiguous and equivocal findings. On the one hand, immigrant labour, TCNs or not, is, in general, needed to keep the production going in low-productive and labour-intensive sectors that the natives have left (agriculture, manufacturing industry and the service sector). Too low salaries and unstable work conditions have caused this. On the other hand, such work is low-productive and does not
stimulate economic growth. On the contrary, the regions run the risk of getting stuck in the vicious circle of underdevelopment.

For the MED monitoring the impact of TCNs on the labour market the findings are just as ambiguous and equivocal as for the first MED. The labour market is segregated, and immigrants work in many cases in branches the natives have left. Without this immigrant labour, the local labour markets would stop working, with the result that companies either must move the production, close production, or replace labour with capital. The latter would have a positive impact on productivity and economic growth.

The MED focusing on the impact of TCNs on productivity and innovation indicates disappointing findings. During the interviews and focus group discussions none of the participants could mention any example of innovations related to TCNS, or even immigrants in general. The impact of immigrant labour, TCNs or not, on productivity is going in the wrong direction. This labour is used to fill the gaps in low-productive and labour-intensive branches related to agriculture, manufacturing, and the service sector. None of these branches require any higher human capital. Unfortunately, it seems like immigrant labour is used to retain low-productive and labour-intensive sectors.

The last MED, dealing with the impact of TCNs on entrepreneurship, also suggested rather disappointing findings. A few examples of entrepreneurship were mentioned during the interviews and focus group discussions. Most TCN entrepreneurship is characterised by two things: 1) the entrepreneurship is used by many immigrants, TCNs or not, to improve their situation in the two case study regions. 2) Often immigrant entrepreneurship takes place in the low-productive and labour-intensive service sector. This has both economic and social dimensions. While the economic dimension relates to the fact that these companies do not contribute to the growth of productivity and hence to the economic growth, the social dimension of this immigrant entrepreneurship enriches the local community both in cultural and social terms. Related to this is the question about how to stimulate immigrant entrepreneurship. Key factors hindering immigrants’ entrepreneurship – a social entrepreneurship, or a ‘normal’ entrepreneurship - can be identified to be related to the vicious circle of underdevelopment. Especially a small size of the
market for the goods or services these entrepreneurs target is a scourge; in sparsely populated regions as Ostrobothnia and North Karelia, it may be difficult to obtain a demand sufficient to make these companies survive. That these companies enrich and vitalise the local culture and social life is beyond any doubt.

Although the findings, according to the MED, suggest an ambiguous and equivocal impact of the immigration of TCNs to the two Finnish case study regions, the interviews and focus group discussions clearly identified several positive side-effects of TCN immigration. In economic theory, such side-effects are called **externalities**. An externality is a positive or negative side-effect of an economic activity. It can be monetary or non-monetary, and it is imposed on a third party who did not directly related to the economic activity (OECD, 2003; Wannacott & Wannacott, 1986; Begg et al., 1987). The positive effects of TCN immigration discussed in sections three and four in this report are examples of positive externalities. As such, they play a vital role in the economic activities in the two case study regions and hence should not be neglected.

Three closing comments must be made here. The first is that these conclusions are based on the general findings, the findings for all TCNs. However, highly skilled TCNs, in possession of a high human capital, who come as labour migrants have a far more positive impact on productivity, economic growth and the labour market than poorly skilled TCNs with a low human capital. This was highlighted during the interviews and focus group discussions on both North Karelia and Ostrobothnia. Although not explicitly mentioned during the interviews and focus group discussions, we can assume the same result for the externalities. A second comment is that it is also important to acknowledge between what is economically beneficial for the individual TCN and what is economically beneficially for the host community. What is beneficial for these two actors may not always be overlapping. Third, it must be emphasised that the persons interviewed during the interviews and focus group discussions may not be representative, and hence it is not possible to generalise the findings for Finland and to draw too sharp conclusions. What we can conclude, however, is that the economic impact of TCNs points at ambiguous and equivocal effects in the two case study regions. Such findings correspond to the findings by other research on the economic impact of immigration.


Authors: Stefan Kordel and Tobias Weidinger, with support from Anne Güller-Frey

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>BAMF</td>
<td>Federal Office for Migration and Refugees</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>COVID-19</td>
<td>Coronavirus Disease 2019</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
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<tr>
<td>IHK</td>
<td>Chamber of Industry and Commerce</td>
</tr>
<tr>
<td>INTERREG</td>
<td>Interregional Cooperation</td>
</tr>
<tr>
<td>MATILDE</td>
<td>Migration Impact Assessment to Enhance Integration and Local Development in European Rural and Mountain Regions</td>
</tr>
<tr>
<td>MED</td>
<td>MATILDE Economic Dimension</td>
</tr>
<tr>
<td>POC</td>
<td>People of Colour</td>
</tr>
<tr>
<td>TCN</td>
<td>Third Country National</td>
</tr>
<tr>
<td>VerA</td>
<td>Prevention of discontinuation of and support of young people during vocational training</td>
</tr>
<tr>
<td>WP</td>
<td>Work Package</td>
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<tr>
<td>WWII</td>
<td>World War II</td>
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Economic impact of TCNs, understood in the MATILDE economic dimensions (MEDs) organisational/business change and innovation as well as community and territorial impact, is determined by legal frameworks and policies. Kordel and Weidinger (2021, country-based policy briefing on migration-related social and economic policies, MATILDE Deliverable 3.1 and 4.1) discussed economic policies addressing various realms ranging from foreign recruitment, the issuing of work and residence permits, the possibility of contract work, to the provision of consultation and funding opportunities. They also pointed out the specific implementation in rural and mountain areas and identified relevant stakeholders. Yet, economic policies and its implementations can only be a starting point for a deeper understanding of economic impact of TCNs in MATILDE regions in the MEDs. Instead, settlement and staying orientation of immigrants and especially attitudes of the resident population (in particular: employers and co-workers) as well as dynamics in business structures in terms of the research, innovation and development of companies have to be addressed. For this purpose, a qualitative assessment was conducted in the MATILDE region Bavaria with a focus on five rural districts, i.e. Berchtesgadener Land (BGL), Garmisch-Partenkirchen (GAP), Neustadt a.d. Aisch – Bad Windsheim (NEA), Oberallgäu (OA) and Regen (REG). Methodologically, the report draws on qualitative interviews, a collection of documents and participatory observation.

Based on the proposed selection criteria, companies were chosen and a total number of 16 qualitative in-depth interviews with 18 stakeholders were conducted in Germany and its selected MATILDE region between October 2020 and March 2021. Additional information derive from 13 further interviews with 15 stakeholders and three focus group discussions with 14 stakeholders that were implemented in the course of the social impact assessment at the same time period (for more information about this interview corpus and the sampling, see MATILDE Deliverable 3.3).
Besides, the report is based on a collection of documents, including press articles from the MATILDE region as well as from the rural districts, and participant observation at various online meetings. The latter aspect encompassed the closing meeting of the INTERREG project “Migration and integration in the Bavarian-Czech borderland region: Analysis, Cooperation and Solution Strategies” (19.02.2021), a meeting of the Association of Volunteers in Refugee Relief in Bavaria on the situation of forced migrants in rural areas (24.03.2021), and an online conference of the parliamentary group of the Alliance 90/The Greens within the Bavarian State Parliament on recruiting skilled workers in social professions (12.03.2021).

The companies were chosen among public and private ones as well as social enterprises\(^2\) in the MATILDE region that represent the foundational economy, i.e. economic activities that constitute the material infrastructure of social life (Barbera et al. 2016: 8; cf. Bentham et al. 2013 and Barbera et al. 2018), and that are either led by TCNs or which employ a relatively high number of TCNs or which make of employing TCNs an ‘a tout’. To identify them, we drew on the knowledge gained in the course of MATILDE Deliverable 2.1 on the diversity of the local economy in the rural districts (Kordel et al. 2020) and fieldwork for MATILDE Deliverable 3.1 and 4.1 (Kordel & Weidinger 2021), the local knowledge of our gatekeepers, media reports as well as an extensive desk research. Accordingly, seven different companies and social enterprises were selected that represent the key industries in our MATILDE region and the ones where most TCNs are (self)employed, i.e. construction, facility management, food industry, health(care) and hospitality. With the support of the local partner TAT, companies were contacted. Key facts are displayed in

Table 1 below, drawing on different sets of categories (private vs. public, standard company vs. social enterprise, family owned or not, migrant owned or not). In order to warrant anonymity, no further information can be provided for companies.

\(^2\) For a general overview about the social enterprise landscape in Germany, see Göler von Ravensburg et al. (2018).

www.matilde-migration.eu
### Table 1: Overview of companies and social enterprises

<table>
<thead>
<tr>
<th></th>
<th>Description of company</th>
<th>Foundation</th>
<th>Number of employees</th>
<th>Category 1</th>
<th>Category 2 (Type of company)</th>
<th>Category 3 (Sphere)</th>
<th>Family owned</th>
<th>Migrant owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Two jointly acting hotels</td>
<td>1890s/1920s</td>
<td>unknown</td>
<td>private</td>
<td>standard company</td>
<td>local</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>2</td>
<td>Wholesale grocery and food retail markets</td>
<td>2010s</td>
<td>10-50</td>
<td>private</td>
<td>standard company</td>
<td>regional</td>
<td>yes</td>
<td>yes</td>
</tr>
<tr>
<td>3</td>
<td>Hospital association</td>
<td>2010s</td>
<td>1,000-5,000</td>
<td>public</td>
<td>social enterprise</td>
<td>regional</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>4</td>
<td>Medical services</td>
<td>2000s</td>
<td>100-500</td>
<td>private</td>
<td>standard company</td>
<td>regional</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>5</td>
<td>Enterprise group</td>
<td>1920s</td>
<td>1,000-5,000</td>
<td>private</td>
<td>standard company</td>
<td>international</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>6</td>
<td>Cleaning company</td>
<td>1960s</td>
<td>&gt;10,000</td>
<td>private</td>
<td>standard company</td>
<td>national</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>7</td>
<td>Catholic Relief Services</td>
<td>1960s</td>
<td>100-500</td>
<td>private</td>
<td>social enterprise</td>
<td>regional</td>
<td>no</td>
<td>no</td>
</tr>
</tbody>
</table>

Within the companies, the stakeholders for the qualitative in-depth interviews were chosen by applying purposive sampling, i.e. interview persons were selected based on their competence regarding the themes of the report and comprised CEOs, shareholders and managers (Companies 1, 2, 6 and 7), heads of department (Companies 3, 5 and 6), further German and TCN employees (Companies 2, 3, 4, 5 and 6) and a mentor to a TCN entrepreneur (Company 2). In light of a lack of time resources, the companies foreseen for an interview expressed the desire to include more

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3 The enterprise group is e.g. involved in construction, steal manufacturing and recycling.
than one interviewee per interview. After an internal reflection about the pros and cons among the research team at FAU, this was accepted. Due to the companies’ protection of staff data and the lacking opportunity for field visits that would have provided a potential alternative way to approach stakeholders, we fully relied on the companies’ willingness to cooperate. Unfortunately, it was hardly possible to convince them to detail more than one or two interviewees for our project. Therefore, in addition, we conducted five interviews with a representative of the Federal Ministry of Labour and Social Affairs and actors from education and training institutions such as a vocational school for elderly care, from trade and labour unions and organized representative groups like the Chamber of Crafts or the Chamber of Industry and Commerce. Stakeholders on-site sometimes had various ties with the local context due to the multiple roles they often took. Accordingly, one interviewee was not only TCN employing entrepreneur and local spokesperson of a professional group, but also a councilperson and parliamentary leader.

Due to ongoing travel restrictions as well as for preventive reasons in the course of the COVID-19 pandemic, all interviews were conducted audio-visually using the conferencing tool Zoom via university license (for a critical methodological reflection, see Nehls et al. 2015) or via telephone. After having received the interviewees’ consent, all except two interviews were audio-recorded. In cases where permission for audio recording was not given, the note-taker intensified his observations. Interviews lasted between nine and 98 minutes (average was 60 minutes), and were conducted mostly in the presence of local partner TAT, while this process allowed for a subsequent reflection. For further analysis, extended protocols served as a basis for thematic analysis for the suggested dimensions, while parts of the interviews were transcribed verbatim and translated to English language to illustrate argumentation. To warrant the anonymity of the selected companies and interviewees, only little information about the companies are provided and no details about their location are released. Internal confidentiality and anonymity, i.e. the principle of anonymity between the participants themselves, could not always be maintained due to a high degree of social and spatial proximity in the region and inside the companies (cf.
Stachowski 2020a). Prior to the interviews themselves, additional documents were collected drawing on a keyword search in google, while press articles where mostly gathered via the wiso-net.de database of the GBI-Genios Deutsche Wirtschaftsdatenbank GmbH. Furthermore, documents served as a means to contextualize information. With regard to participant observation, notes were taken in order to maintain distance for systematic understanding.

The remainder of this report will focus on economic impact of TCNs both within the companies and the localities and regions. After sketching the recruitment process, in chapter 2, organizational change and the way of doing business, including new challenges and fields of actions, are discussed. Chapter 3 illustrates the impact of TCNs’ employment on local communities and territories, e.g. in terms of potential workforce for enterprises, but also consumption expenditures and social cohesion.
MIGRANTS, SOCIAL ENTERPRISES AND COMPANIES: ORGANISATIONAL/BUSINESS CHANGE AND INNOVATION

For an assessment of migrants’ impacts on companies, i.e., the organizational change and innovation they evoke, the various ways they access employment have to be considered. Companies’ recruiting of TCNs is based on various modes: employment ads in local media (WP3WP4DE017, 030) or online, e.g. on ebay small ads (ebay Kleinanzeigen) (WP3WP4DE017, 030), as well as by employees’ spread of word of mouth – even abroad (WP3WP4DE011_1, 030, 032), resulting in chain migration (WP3WP4DE013). If employees are able to attract a new co-worker, one enterprise even provides a bonus payment (WP3WP4DE017). Foreign recruitment was omitted due to bureaucracy by some (WP3WP4DE017), but considered mandatory by others, for instance to recruit personnel in medical sector, e.g. nurses. Regarding the latter, company 3 drew on two agencies and the Triple win-project, which is a joint project of the Federal Employment Agency and the German Corporation for International Cooperation (GIZ) (WP3WP4DE013, 032). Another enterprise is hiring qualified employees after the successful completion of language and integration courses at their own training institute (WP3WP4DE029, see also below). In addition to that, companies received assistance in terms of personnel procurement by the local Jobcenter (WP3WP4DE011_1, 027) and other intermediaries such as the Commissioner for Integration of the rural district (WP3WP4DE011_1) or volunteers of refugees, who suggest their mentees (WP3WP4DE030; Weidinger & Kordel 2019, Hackl 2020b). Eventually, enterprises also receive unsolicited applications by TCNs living on-site or those being willing to move here (WP3WP4DE014, 030). COVID-19 related implications were found to be delayed entries of foreigners, e.g. due to delayed exams and processing in embassies in the country of origin, travel restrictions or refusal of entry in Germany (WP3WP4DE014, 024, 032; cf. European Commission 2020, Weisskircher 2021). In nursing homes, in particular, pandemic-related burnouts among staff resulted in even higher needs of recruiting (WP3WP4DE032).
The employment of recruited TCNs had diverse effects on the companies, which are presented in terms of organisational change on the one hand and changes in the culture of doing business and the promotion of innovation on the other hand. Regarding the former, i.e. **organisational change, mandatory and voluntary changes to roles and responsibilities** could be identified. Following previous talks with potential candidates and an internal tender, some enterprises nominated job mentors or counsellors for integration, who are released from their work with a certain percentage of the working hours to assist TCNs with on-boarding or their orientation in the region (WP3WP4DE013, 024, see also below). The job mentors or counsellors for integration often did not receive a training beforehand, but “learned by doing”. However, regular jour fixes are held, for instance with a newly established project group, which also includes a foreign colleague form the works council (WP3WP4DE013, 024). In another case, a facility manager unofficially acts as an important contact person, i.e. ‘like a mother’ for younger foreign workers (WP3WP4DE009; cf. Goldenberg & Sackmann 2014, for rural Germany). **Company rulings and user manuals** for the handling of new employees were provided for the departments of a hospital. However, the heads of departments were responsible for the integration of foreign nurses in the wards and the matching of staff roster with the German language courses of the company (WP3WP4DE013). In addition, **new fields of operation** emerged for the companies as a result of the presence of TCNs in the MATILDE region. An enterprise initiated counselling services for forced migrants in cooperation with the municipality, which resulted in a counselling spot, which is better accessible (WP3WP4DE014), while the same and other ones acquired real estate and provided refugee accommodation (WP3WP4DE015). This included the necessity to hire new staff for security services or caretaking of occupants (WP3WP4DE014, 028). An enterprise group (company 5) also started to provide company housing to forced migrants or even founded a new Institute for Integration as part of the company foundation that went hand in hand with the hiring of three new
employees and 13 teachers\(^4\) (WP3WP4DE015). As such, the enterprise group established a novel branch as social enterprise. Regarding the latter, the owner considered German language a precondition for integration and thus offered language and integration courses in cooperation with Caritas, Malteser and the Workers’ Welfare Association (AWO) to everyone, regardless of legal status or nationality to fill time gaps to official courses provided by the Federal Office for Migration and Refugees (BAMF, see also below)\(^5\). As such, the social enterprise contributed to a socially inclusive approach of language acquisition. To foster forced migrants’ access to private housing as well as acquaintance with local institutions, these courses also entailed tenant qualification and excursions, e.g. to the fire brigade, the police, the builder’s yard or the recycling yard (WP3WP4DE015, see also MATILDE Deliverable 3.3). The initiative finally provides the opportunity for the enterprise group to recruit potential new workers among participants (WP3WP4DE015).

The employment of TCNs also impacted on the **culture of doing business and the promotion of innovation**. The stakeholders reported that TCNs were able to **foster the staffing ratio**, e.g. more nurses were available for the same number of patients (WP3WP4DE024). However, the recruitment of TCNs also led to **more bureaucracy and legal restrictions** (WP3WP4DE017, 030). This was true especially for companies hiring TCNs with unsecure residence permits as companies then were required to renew work permits on a regular basis and thus needed to stay in regular contact with various institutions, e.g. the Federal Employment Agency or the Foreigners’ Office of the rural district (WP3WP4DE030)\(^6\). **Language barriers** were another issue that came up during the interviews and were especially relevant with those TCNs, who did not have German

\(^{4}\) Due to COVID-19, language and integration courses of the Institute were transformed to blended or online learning. This enabled one of the teachers to continue working for the Institute despite having moved away from the rural district (WP3WP4DE015).

\(^{5}\) The courses were also open to EU-migrants, who are also in need of German language competence, but often do not have access to language and integration courses free of charge (WP3WP4DE015).

\(^{6}\) In light of the COVID-19 pandemic and difficulties for seasonal migrants from Eastern Europe to enter Germany, in 2020, the Federal Employment Agency enacted a temporary ‘global approval’ (Globalzustimmung) for TCNs most forced migrants to work as seasonal workers (Weisskircher 2021).
language classes in Germany nor their country of origin (WP3WP4DE009, 029). These barriers were found to be detrimental in case colleagues needed to explain things to migrant colleagues with limited knowledge of German language (WP3WP4DE009; cf. Goldenberg & Sackmann, for rural Germany), or when migrant workers should talk with German clients or patients (WP3WP4DE011_1). Drawing on a historical comparison with the Guest worker era in the 1960s and 1970s, one interviewee describes that German language competencies were not required back then to work at the assembly belt or in construction. However, due to more complex processes in production as well as the increased relevance of worker protection, a certain level of German language is required today (WP3WP4DE015, similar results in the cleaning sector: WP3WP4DE017, 030). TCNs, in turn, suffered in case colleagues, clients and patients did not talk in standard German, but regularly used the Bavarian dialect instead (WP3WP4DE024, 029; Viechtacher Bayerwald-Bote 2017, Weidinger & Kordel 2019). The ability of TCNs to speak a **variety of languages** other than German, however, was also considered an advantage in case the company realised the potential to make use of them (cf. Goldenberg & Sackmann 2014, for rural Germany; Lähdesmäki & Suutari 2020, for rural Finland). This was reported for various sectors, especially those where (social) enterprises were involved in (food) retail, (health)care, tourism, counselling services and refugee accommodation (WP3WP4DE009, 011_1, 014, 024, 028). Moroccan, Iranian or Iraqi employees, for instance, were able to communicate with Arabic or Farsi-speaking guests or customers, while migrant workers were found to attract customers from the same nationality ("workers act like magnets", WP3WP4DE011_1). Migrant nurses could also interpret for patients in the hospital and social workers or security staff eventually facilitated counselling as well as the dialogue with occupants (WP3WP4DE009, 011_1, 014, 024, 028). A social enterprise, in addition, considered the variety of languages spoken by the employees as an enrichment, despite the fact that interpreters were needed, e.g. for the team meetings (WP3WP4DE028). While one enterprise found little changes due to a tradition of multiculturalism in the company (WP3WP4DE017), other employers and colleagues instead realised an **increased**
awareness for cultural and religious aspects of TCNs as well as their specific biographies\textsuperscript{7}. Interviewees perceived difficulties among TCN entrepreneurs to deal with German bureaucracy, laws and regulations as well as ‘German’ order (WP3WP4DE027), and among TCN employees to be punctual – at least at the beginning of the employment relationship (WP3WP4DE032). They also observed a different perception of cleanliness (WP3WP4DE017) and segregation effects, i.e. that employees circled around their fellow country people (WP3WP4DE030). For the specific group of Muslim employees, employers and colleagues realised that they sometimes did not show up for work or for language courses in order to fast, e.g. during Ramadan, or to celebrate the sugar feast, for instance (WP3WP4DE015). For Muslim women, it emerged that it is difficult to match their desire to wear hijabs with the necessity to wear specific hygienic clothes in the hospital following the sanitary regulations (WP3WP4DE030). For Muslim men, in particular, interviewees reported that they sometimes did not accept women as supervisors or did not accept menial jobs. This, however, was not tolerated by the CEO (WP3WP4DE009, 017). A TCN entrepreneur also perceived migrant workers from Arabic countries to have a different working moral, which required him to keep them under thorough surveillance (WP3WP4DE011\textsubscript{1}, 027). For the specific group of forced migrants, an interviewee reported of different perceptions of cultures of work in general and described migrants’ sensitivity towards the strict and demanding working life in Germany, whereas they would prefer longer, but less intensive working hours (WP3WP4DE031)\textsuperscript{8}. With regard to the perception of certain job descriptions, e.g. of migrant nurses, evidence from the interviews suggests a different, culturally mediated perception of jobs. While the job of nurses in Western Balkan countries was characterised as more academic, in Germany, they rather act as assistants to the doctors and also need to wash patients, which lead to identificatory problems. As a consequence, the employer started to offensively communicate the different understandings prior to the recruitment (WP3WP4DE013). In addition, contrary to the hopes of the employers,

\textsuperscript{7} For the specific role of negative attitudes due to prejudices, racism and xenophobia, see chapter 3 and MATILDE Deliverable 3.3.

\textsuperscript{8} Similarly, in terms of communication at the work place, the same person found that in Germany it is very direct, whereas in their home countries, symbolic communication predominated (WP3WP4DE031).
migrant nurses, especially men, desired to work at the operating theatre, the casualty department or the intensive care unit instead of other departments, where lack of workers was even more severe (WP3WP4DE013). Furthermore, employers, colleagues and employees positively experienced the hospitality, courtesy and serenity of TCN employers and TCN employees (WP3WP4DE027), while coffees and teas to go were replaced by longer coffee breaks, following the higher valuation of these kind of gatherings in Arabic and Persian cultures. Similarly, companies reflected about appropriate food at work parties (WP3WP4DE028), while some employers and colleagues empathised with forced migrants’ traumas (WP3WP4DE009) and their difficulties to find cheap housing (WP3WP4DE019–3, 022, 028).

Acknowledging the difficulties mentioned, e.g. in terms of bureaucracy, language and housing, enterprises engaged enormously and provided various measures for on-boarding and retention of TCNs. These were prepared by employers themselves, by HR departments, co-workers, job mentors or counsellors for integration as well as by external actors such as trouble-shooters at vocational schools (WP3WP4DE031, 032) or volunteers engaged in refugee relief. The measures firstly encompassed assistance with legal issues, i.e. TCNs were supported with the recognition of foreign credentials, e.g. at administrative district administrations (WP3WP4DE013), with opening bank accounts and with choosing the best health care or mobile phone provider as well as with visiting the authorities (WP3WP4DE009, 013, 024, 032). Companies also facilitated the family reunification and job search for spouses, e.g. by means of calling potentially suitable companies in the region (WP3WP4DE024, 029). Moreover, responsible persons approached foreigners’ offices, e.g. when having to renew work permits (WP3WP4DE009, 013), and advocated for the (continuation of) work and residence permits of appreciated (potential) employees at rural district administrations or by means of contacting politicians on the local, regional and national level (WP3WP4DE022; Nordbayern.de 2019; Hackl 2020a). Against the backdrop of full employment and the lack of workers, more than 100 enterprises in the rural district of NEA even signed a resolution against the asylum politics of the Bavarian State Government and called for a
more generous awarding of tolerated stays for the purpose of vocational training (Nordbayern.de 2018). Eventually, companies also offered visa for deported forced migrants as an opportunity to re-enter Germany via the ‘labour migrant channel’ (WP3WP4DE014). Secondly, measures addressed language issues at the job, at the vocational school or at exams. Companies translated instructions to different languages (WP3WP4DE015) and used colours and pictograms (WP3WP4DE017). Other enterprises, instead, particularly targeted the German language acquisition of TCNs and developed a language app, where it is intended to include specific terms besides general vocabulary (WP3WP4DE017), and provided language courses. The latter were organised at the companies’ own training centres, in cooperation with external partners such as language course providers or were passed on to private persons, who acted as tutors (WP3WP4DE009, 013, 017, 021–5, 028, 029, 032; Bayerwald-Bote 2020, Hackl 2020b). These courses were discontinued lately due to a lacking demand (WP3WP4DE030) or as a result of the COVID-19 pandemic. Instead, online courses were initiated and textbooks for self-study at home were provided (WP3WP4DE013, 024). To address the language barrier that results from the use of the Bavarian dialect among the staff, colleagues translated words spoken in Bavarian dialect into standard German or gifted a dictionary to the TCN employee as part of Secret Santa (WP3WP4DE029). Due to the fact that “content and not language should be core at the exam” (WP3WP4DE009), an entrepreneur supported the idea of ‘exam companions’ to provide security and support for TCNs and, therefore, approached psychologists to obtain the required assessments (WP3WP4DE009). In addition to legal and language issues, measures also addressed TCN employees’ access to housing (cf. Penman & Goel 2017, for rural Australia). Companies offered accommodation in company housing (WP3WP4DE013, 024, 026, 028) or sublet company-owned

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9 An interviewee described the opportunity for TCNs to only work in the afternoon to enable their participation at a forenoon language course. However, this collides with the workload, which happens to be in the forenoon, mainly (WP3WP4DE030).
apartments (WP3WP4DE009). Due to the tense and expensive housing market especially in the Alpine districts, apartments were below the local rental price, e.g. 12-14€ cold rent/m² instead of 16€ cold rent/m² (WP3WP4DE028). In case enterprises could not draw on own apartments, the commissioner for integration, other colleagues or the brand ambassador assisted TCNs with finding a private apartment (WP3WP4DE024; Hackl 2020b). In another case, an entrepreneur intervened at the rural district administration and could achieve that the asylum seeker could get a transfer to another asylum accommodation, so that he could be closer to the company (WP3WP4DE009, 022). Besides housing, some companies also became involved in facilitating TCNs’ access to mobility, which is considered a specifically rural issue (Weidinger et al. 2017; cf. Penman & Goel 2017, for rural Australia). Enterprises, e.g. in the automotive industry, already ran shuttle busses to and from shifts (WP3WP4DE022, 026, 032), but also adapted shifts according the public transport schedule (WP3WP4DE032). Upon arrival in the companies, responsible persons also taught TCNs how to commute by public transport, while, during winter time, when public transport may be interrupted, taxis were provided (WP3WP4DE024, 032). Furthermore, enterprises also partly covered travel costs or requested Jobcentres to take over costs for the driving license of a TCN worker so that he was able to reach all the different locations of the company by himself (WP3WP4DE029, 032). Additionally, also co-workers showed a cooperative attitude and supported TCNs by offering lifts to the workplaces (WP3WP4DE014, 032). During the COVID-19 pandemic, finally, co-workers backed the holiday plans of TCN employees, who took at least three weeks of holidays to visit friends and relatives in their home countries, given the long time required to quarantine themselves (WP3WP4DE024). Openness to diversity and access to social connection was another issue that was tackled by the enterprises investigated. One company stated that they are proud of their cultural and religious diversity and do not tolerate discrimination

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10 In one case, in the past, company housing was also provided to employees of the subcontracted company, i.e. the one under investigation. However, recently, the company sold some of the apartments due to high costs for administration (WP3WP4DE030). In the case of international students of a vocational school, a sponsor rented accommodation and sublet apartments to the students (WP3WP4DE032).
In the company’s training centre, they regularly offered intercultural trainings, especially for group leaders, who deal with different cultures in their everyday work and often are responsible for on-boarding (WP3WP4DE030; similar situation in other companies, e.g. WP3WP4DE021-3, 029). In other (social) enterprises, however, intercultural competence and activities seemed to exist solely on the paper (WP3WP4DE026) or were taken into consideration by employees only to discuss single problem cases with TCN clients (WP3WP4DE028). To provide TCNs with opportunities to present their culture and get to know colleagues, companies organised joint after-work events, where TCNs e.g. brought their own dishes and were invited to wear their local clothing (WP3WP4DE017, 024, 028). Eventually, **mentoring programmes, internal qualification and transfers** aimed at fostering on-boarding and retaining of TCN workers (see also above). Mentors, e.g. those with a long period of employment at the enterprise, assisted TCN newcomers in everyday work situations in the short run, i.e. during the first weeks (WP3WP4DE024, 028), while internal qualification facilitated training on the job in the long run (WP3WP4DE028; Hackl 2020a, 2020b). If desired, companies also found different occupations for TCN workers within the company (WP3WP4DE024).
The community and territorial impact of TCNs’ economic participation in the MATILDE region Bavaria became manifest in four aspects, i.e. the provision of workforce for existing enterprises, the consumption expenditures of TCNs, the effect of their employment on social cohesion as well as in terms of migrant entrepreneurship.

First and foremost, migrants and TCNs were considered as potential workforce for local enterprises – already in the past but even more in the present (WP3WP4DE030; Hudelist 2016). Interviewees reported of various sectors and rural industries that suffer from lack of workforce: agriculture, handicraft, construction, industry, logistics, cleaning, (health)care, hospitality industry and tourism-related services including system catering (WP3WP4DE001, 002, 003, 004, 014, 016, 019-5, 020-2, 022, 028, 030, 032; Ernst 2020, Hackl 2020b, Schedlbauer 2020). The companies’ legitimisation why to hire migrants, however differed (cf. Lähdesmäki & Suutari 2020, for rural Finland). For enterprises, firstly, TCNs were considered a labour force potential especially in those sectors that were lowly attractive for Germans (and EU migrants) due to hard work or irregular working hours and where they refused to work (WP3WP4DE009, 021-2, 022, 026; cf. Bayerischer Industrie- und Handelskammertag et al. 2015, for Bavaria). TCNs, instead, were framed as ‘good workers’ as they were hardworking, flexible and motivated (WP3WP4DE026; cf. Goldenberg & Sackmann, for rural Germany). Due to their lacking knowledge of the German labour market and social networks, TCNs were willing to accept the often precarious working conditions and, thus, facilitated that businesses and work places – also of locals – could remain on-site (WP3WP4DE015).

Among some companies, secondly, the hiring of TCNs was also considered a structural necessity, in light of an ageing rural society that is characterised by the out-migration of young people and an overall lack of German (and EU migrant) workers (WP3WP4DE013, 020-2, 022, 026). Still other companies, thirdly, explicitly wanted to contribute to the integration of migrants on-site by means of providing opportunities for interaction at the workplace. This is reflected in the statement of
one of the interviewees, saying that, from the locals’ perspective, entrepreneurs must be philanthropic, if hiring TCNs (WP3WP4DE026). During the COVID-19 pandemic, lately, the Federal government provided funding for companies, e.g. for short-time work, interim aids as well as bonus payments for continuing to employ or even hiring new apprentices (Ausbildungsprämie (Plus)) (WP3WP4DE022). Rural enterprises, which were less affected by the pandemic were also willing to take over employees and apprentices from other companies suffering from the crisis (WP3WP4DE021_5, 022). The impact of TCNs to provide workforce for existing enterprises, however, was hampered due to various reasons. Firstly, legal barriers such as working bans prevented asylum seekers with a bad prospect of staying\textsuperscript{11} or individuals with suspension of deportation from job seeking (WP3WP4DE031; Nordbayern.de 2019, Weidinger & Kordel 2019, Ernst 2020). Similarly, forced migrants, who did not secure to apply for a passport, saw themselves confronted with the withdrawal of existing permits (Bidder 2017). In case they applied for the passport at the embassy of their country of origin, however, they had to fear deportation (Lauer 2018, Hackl 2020b). Those who were allowed to work often faced a limited rural labour market (cf. Hedberg & Haandrikman 2014, for rural Sweden), where mismatches between skills and available work places in rural areas occurred (Weidinger & Kordel 2019; cf. Patuzzi et al. 2020, for rural EU). Volunteers sometimes also provided unidirectional consultations and suggested forced migrants to start vocational training (WP3WP4DE014). However, this was preferred mostly by individuals with precarious legal status in order to prevent deportation (WP3WP4DE014, 022), while others, at least in the past, saw the necessity to earn ‘quick money’, which could be sent to their families in the countries of origin, exacerbating their social mobility (WP3WP4DE001, 014, 016, 021_2, 022, 031). The lacking recognition of foreign credentials, in addition, led to the fact that TCNs were employed below their qualification level and fostered a potential loss of talent (cf. McAreavey 2012, for rural Northern Ireland; Patuzzi et al. 2020, for rural EU). Furthermore, lacking

\textsuperscript{11} For a detailed discussion of the prospect of staying, see Schultz (2020).
mobility and long distances in rural areas, aggravated the accessibility of the workplace (WP3WP4DE021-3, 026; Weidinger & Kordel 2019), while lacking availability of housing in rural areas made it difficult for them to stay at all (WP3WP4DE028). Eventually, the presence of family members and friends elsewhere in Germany fostered onward mobility of TCNs to other urban or rural areas (Viechtacher Bayerwald-Bote 2017; Weidinger et al. 2017; Kordel & Weidinger 2019). The impact of TCNs was also hampered by employers, who did not want to employ TCNs. This was related to their lacking legal knowledge about staying and work permits (cf. McAreavey & Krivokapic-Skoko 2019, for rural Australia and Northern Ireland), the bureaucracy associated to legal issues (WP3WP4DE013, 017) and the lacking openness towards migrants (Weidinger & Kordel 2019; cf. Patuzzi et al. 2020, for rural EU). The attitude of employers seemed to depend on the country of origin, while a hierarchization of TCNs could be identified and also affected the employment life-world (WP3WP4DE028; cf. MATILDE Deliverable 3.3). Even in case they were hired, the impact of TCNs was curtailed by negative attitudes of colleagues and customers.

Regarding the former group, the general ‘sword of Damocles’, i.e. personnel reduction, fostered distributive conflicts between colleagues (WP3WP4DE026). The same interviewee also reported of jealousy towards TCN contract workers, who received unlimited contracts after reaching the maximum period of contract working, while others hired directly by the company did not, yet (WP3WP4DE026). Due to the (feared) negative attitude of customers, it was found that foreigners, TCNs and POC often had to work ‘behind the scene’, i.e. without customer contact, e.g. as dish washer instead of as servant (WP3WP4DE026; cf. Goldenberg & Sackmann 2014, for rural Germany). Sometimes, the everyday working situation of TCNs was also characterised by various phenomena that could be considered as exploitation (WP3WP4DE009, 026). Companies often relied on the constant replacement of contract workers after exhausting the maximum period of

12 During the COVID-19 pandemic, fluctuations on the housing market decreased and rental contracts were terminated (WP3WP4DE012). Landlords argued that this was related to the own personal use of apartments, however, the interviewee assumed that they pictured a future use as holiday apartments (WP3WP4DE012).

13 To tackle this issue, the Chamber of Industry and Commerce provides information material for apprentices (“How to behave”) and offers companies to mediate conflicts (WP3WP4DE022).
contract working, leading to a ‘revolving door-effect’ (WP3WP4DE026). In facility management, in particular, a high fluctuation among the staff was noticed and considered the outcome of low payment in combination with ‘invisibility’ at the (often urban) workplace, e.g. due to night work (WP3WP4DE017). Other examples addressed the situation in a motorway restaurant, which explicitly targeted TCNs to not have to increase the wages for the staff (WP3WP4DE026), or hospitals, where nurses had to work below their qualification level until the recognition of their foreign credentials and only received salaries based on a lower tariff classification until then (WP3WP4DE026). In other cases, wages and holiday allowances were not paid at all, or only partially (cf. Weisskircher 2021, for German agriculture). This was perceived commonplace e.g. in the hospitality industry, where time recording is scarce and over hours sometimes remained unpaid (WP3WP4DE026). Furthermore, corporate housing offered to TCNs was sometimes overpriced and mostly cut directly from the TCNs’ salaries (WP3WP4DE026; cf. Weisskircher 2021, for German agriculture). Eventually, work contracts with TCNs were also terminated by employers due to misunderstandings and complaints about their behaviour, e.g. their working moral or absence due to religious feasts as well as lacking German language skills or too slow language acquisition (WP3WP4DE015, 032). Regarding the latter aspect, also TCNs themselves often opted to discontinue vocational training for that reason, despite that fact that instructors, e.g. in hospitality industry, were very endeavoured (WP3WP4DE031)14. Recently, i.e. during the COVID-19 pandemic, migrants in general and TCNs in particular were dismissed, e.g. those (seasonally) employed in the hospitality industry (WP3WP4DE002, 003, 022, 023; cf. MedienDienst Integration 2020, for Germany), and could hardly re-enter the labour market (WP3WP4DE003; cf. Marina 2021, for Germany). The termination of working contracts also resulted in the termination of rental contracts and motivated some to return to their countries of origin (WP3WP4DE012, 020_2).

14 The VerA initiative, which was established by the Senior Expert Service (SES) and which is funded by the Federal Ministry of Education and Research (BMBF), aims at preventing dropouts from vocational training by means of a mentoring programme including volunteering senior experts. TCNs particularly benefitted from the initiative, however, senior experts are still too little (WP3WP4DE021_2, 021_3, 022).
The consumption expenditures are another visible impact of the presence of TCNs in the MATILDE region. Even more than locals, TCNs would spend their money on-site (WP3WP4DE016) and created additional demand for businesses such as supermarkets (cf. Patuzzi et al. 2020, for rural EU). Economically affluent lifestyle migrants such as the king of Thailand, who resides in the rural district of GAP, were found to uphold local groceries and retail such as jewellers, delicatessen or flower shops (Elsberger 2020). TCNs may also acquire real estate and thus strengthen the local housing market (cf. Stachowski 2020b, for rural Norway). Drawing on a seven year period, an overall expenditure of 243 million Euro was counted for the specific group of the US-American military community in Germany, e.g. for the management of real estates and properties (Spiegel Online 2019). On-site, the rural district of GAP, for instance, makes an annual 1.5 million Euro turnover for long-distance heating, electricity, water, gas and waste disposal for the US troops stationed there since WWII (BR24 2020; cf. WP3WP4DE009). The sheer presence of forced migrants, in turn, entailed specific government investments, e.g. for renting accommodation, providing security services, catering or counselling (BR24 2015; see also MATILDE Deliverable 3.3). The impact of TCNs was hampered in case they saw the necessity to send money to their families in the countries of origin (WP3WP4DE001), only occupied seasonal jobs (WP3WP4DE001, 028) or had jobs that were limited in time. The latter aspect is also relevant, e.g. for non-TCN social workers, who provide counselling services for TCNs (see also MATILDE Deliverable D3.3).

The employment of TCNs had a further impact on the social cohesion, since the workplace provided the opportunity to get to know people (WP3WP4DE016). In the case of foreign nurses, an exchange with them as well as with other co-workers was fostered, which resulted in regular leisure appointments outside work and even in joint holidays (WP3WP4DE013, 024). However, the impact was hampered in case TCNs did not have legal access to the labour market and thus suffered from lacking contact opportunities, a slowed process of language acquisition and
frustration (cf. Patuzzi et al. 2020, for rural EU). Another reason was lacking contact to locals at the workplace, e.g. because they were not employed there at all or only in other departments or groups (cf. Stachowski 2020b, for rural Norway), whereby one interviewee reported of negative attitudes of locals towards being employed in migrant enterprises: “Are you crazy? You even work for them?” (WP3WP4DE027). Negative attitudes of co-workers, in addition, aggravated social cohesion, although, over time, some realised the necessity to hire or recruit foreigners in light of labour shortage (WP3WP4DE013, 015, 024, see also MATILDE Deliverable 3.3). Even with a good atmosphere in the team, it was found that TCNs’ private contact with colleagues was scarce (WP3WP4DE029). Eventually, the lack of community integration was considered a reason why many single TCN workers recruited from abroad opted to leave after one to three years – either to bigger cities or to their countries of origin (WP3WP4DE028).

Migrant entrepreneurship emerged as a result of the sheer presence of TCNs on-site as well as their specific demand for certain products, e.g. halal food (WP3WP4DE011_1, 020_2; cf. Nelson & Hiemstra 2008, for rural USA; Jones & Lever 2014, for rural Wales). With their businesses, TCNs could occupy niches (“No competition, good business!”, WP3WP4DE011_1) and thus diversify local economies, for instance in the food sector (WP3WP4DE001, 011). In other cases, instead, they potentially revived certain economic sectors, e.g. barber shops (WP3WP4DE004; cf. Patuzzi et al. 2020, for rural EU). Economically, the impact revolved around the fact that migrant entrepreneurs created jobs for both Germans, EU-migrants and TCNs in a small and great numbers (WP3WP4DE011_1; cf. Patuzzi et al. 2020, for rural EU). Regarding the latter, the four Bavarian US garrisons, for instance, provided workplaces for a total of 27,500 German and US civil employees (BR24 2020). In addition to that, interviewees reported that migrant enterprises strengthened public welfare as well as local economies. They paid taxes (WP3WP4DE016), rented stores or warehouses or purchased goods at local companies, revealing intense local business cooperation (WP3WP4DE011_1). In social terms, migrant enterprises such as a grocery store with a café established new meeting points between locals and TCNs and also supported the social inclusion
of owners (WP3WP4DE011-1; cf. Jones & Lever 2014, for rural Wales). The impact of migrant entrepreneurship, however, was hampered due to various barriers for self-employment per se such as high legal requirements, language barriers or start-up costs (WP3WP4DE011-1; cf. Jones & Lever 2014, for rural Wales, Patuzzi et al. 2020, for rural EU). One interviewee (WP3WP4DE011-1) reported of the necessity to prove to the Jobcenter that he was really eager to start his own business and therefore had to do an internship and had to participate in a course on entrepreneurship at the Chamber of Industry and Commerce (IHK), despite having owned a similar business in the country of origin. He also experienced a lack of trust among banks and trading partners as well as bureaucracy in the day-to-day-business. The overall low demand for products or services in rural areas and the volatile economic situation of the customers made the TCN entrepreneur especially vulnerable towards crises such as the COVID-19 pandemic, when clients did no longer buy dry, durable goods such as Molokhia to the same amount (WP3WP4DE011-1). Similarly, apart from a few open-minded people, locals were and are still hesitant towards the unknown products, also given their lacking knowledge about how to prepare them (WP3WP4DE027). Long working hours, also on Sundays, eventually hampered his social inclusion (WP3WP4DE011-1).
CONCLUSION

A crucial and decisive issue when it comes to impact of TCNs’ employment on organisational/business changes and innovation, is the company’s involvement in recruiting activities and the need to cooperate with various stakeholders. In the course of migrant employment, changes of roles and responsibilities could be identified within companies, since new fields of operation emerged in reaction to the settlement of forced migrants in the MATILDE region as well as to ensure settlement of migrants and attachment to the company. Such activities addressed various realms of everyday life and went beyond the workplace itself. Measures for onboarding and retention included legal issues, but also challenges related to language, housing and everyday mobility. Besides, the way or culture of doing business changed. Companies became more involved in bureaucracy and had to act on detailed legislations that are often perceived as restrictive. Regarding everyday interactions with migrant employees, employers experienced language barriers as well as cultural and religious peculiarities, while a reflection on the latter made companies more open-minded and tolerant. Eventually, in contact with clients, some companies benefitted from the language competencies of TCNs.

In terms of impact on localities, TCNs are firstly addressed as potential workforce for local businesses and add to labour supply (Portes 2019). Despite the demand for both skilled and unskilled workforce in diversified rural labour markets in Germany, the employment of TCNs is often considered precarious (cf. Fasani and Mazza 2020, for the EU). Moreover, various barriers could be identified, such as legal ones or mismatches between skills and work places as well as negative attitudes of co-workers. Secondly, consumption expenditures of TCNs impact on local businesses, while the presence of TCNs in rural areas often enhances public investments, which act as a fiscal stimulus, aggregating demand (cf. ‘refugee Keynesianism’, Hansen 2016). Within companies, the employment of TCNs is able to increase social cohesion, given that contact to co-workers is enabled and mediating measures are implemented. Finally, the impact of migrant entrepreneurship on local supply and social cohesion is evaluated positively.

For an assessment of the economic impact of TCNs, one has to bear in mind the heterogeneity of immigrants in terms of their socio-demographic and professional backgrounds.

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Especially a successful integration in local labour markets is considered as an important, and in rural and mountain areas still symbolic, achievement of migrant settlement (cf. production of the ‘good’ migrant, Findlay et al. 2013 and Guðjónsdóttir & Loftsdóttir 2017). Accordingly, a utilitarian perspective on TCNs continues to predominate in rural areas (see also MATILDE Deliverable 6.2, Weidinger & Kordel 2021). Negative attitudes of local inhabitants, discrimination as well as spatio-structural configurations hamper participation of TCNs in the labour market and thus their economic impact (Portes 2019). The most important precondition of a sustainable (positive) impact, however, are the migrants’ staying orientations.


INTRODUCTION: CASE-STUDIES, SELECTED COMPANIES AND METHODS ADOPTED

CASE STUDIES

In Italy there are two case-studies under investigation, located at the two extremes of the Alpine range: South Tyrol (the province of Bolzano/Bozen) and the Metropolitan City of Turin (Piedmont).

Since these two regions are very different in terms of geographical, socio-economic and historical-cultural characteristics, the report will present the results of the research realized, taking into account these local specificities.

The two case-studies occupy, almost paradigmatically, two opposite positions within the scenario of Italian rural/mountainous realities. At the same time, both territories are located on the international border with other countries (France, Austria, Switzerland) and are similar in size (7,000 square kilometers South Tyrol; 6,800 Metropolitan City of Turin).

South Tyrol is a predominantly mountainous region and has a small/medium sized regional capital (Bolzano, about 100,000 inhabitants), located in the centre of the territory, from which its valleys (some of which are transit valleys and others closed), radiate out almost like a circle. From an economic point of view, this is a prospering region with the highest regional gross domestic product per capita compared to other MATILDE regions and one of the highest in Italy. The driving forces behind this successful performance are related to regional broad fiscal autonomy, the province's position along the Brenner pass axis and a strong economic exchange, in particular with the German speaking countries: Austria and Germany. While the city of Bolzano hosts most of the
services of general interest and several medium-small size enterprises (high-tech, logistics, communication, etc.), a flourishing economy based on intensive mountain agriculture and tourism has been developing since decades even in inner valleys and mountain sites. The population is widely dispersed throughout the valleys, amounting to 553,000 inhabitants, with a population density of 72 square kilometres for 116 municipalities. It is a bilingual community, with Italian being spoken by only a quarter of the population and German being spoken by the remaining population, especially in the mountain valleys. A small minority also speaks Ladin.

The Metropolitan City of Turin, on the other hand, is located in the centre of a region – Piedmont - characterized by several mountain valleys (some transit, some closed), all concentrated into the west part of the region, while the rest of the city is surrounded by plains and hills. These valleys are the ones that have undergone the most dramatic process of depopulation in all the Italian Alps during the twentieth century, leading to the abandonment of entire villages, the ageing of the remaining population, and the flight of young people to the cities on the plains to improve their quality of life and for work reasons.

The Metropolitan City of Turin has a population more than four times that of South Tyrol (2,215,000 inhabitants compared with 533,000), and a widespread presence of municipalities (312 compared with 116), with a high population density per square kilometer (324, compared with 72 in South Tyrol). The capital city – Turin - has very different characteristics from those of Bolzano, obviously because of its large size, eight times larger than Bolzano (around 850,000 inhabitants), but above all because of its economic and social history. Turin, with Genoa and Milan, constituted the so-called “industrial triangle” of Italy and, for this reason, has a long history of internal immigration: first, from the beginning of the 20th century, from the neighbouring mountain valleys; then, since the 1950s, from the north- eastern and the southern regions of Italy.

The mountain valleys in the MC of Turin are currently economically and socially fragile: alongside some mass tourist resorts, especially at high altitudes, there are many municipalities in a vocational crisis, which offer few job opportunities and are often experienced as places to sleep by people commuting to urban areas. At the same time, however, the social rarefaction of these areas and the large number of properties and land available for reuse have created the conditions for the (still small) arrival of new inhabitants, as part of the “new highlanders” people movement.
(Dematteis G. 2013). On the other hand, there seem to be many more new foreign residents, partly because of certain job niches in the valleys (agriculture, crafts, personal services) but above all because of the availability of low-cost housing and the possibility of commuting from the mountains to Turin (Dematteis M. 2010).

SELECTED COMPANIES AND METHODS ADOPTED

For investigating the economic impact of foreign immigration at regional level, with a specific focus on rural and mountainous territories, four private companies (two for each case-study region) have been selected in order to conduct qualitative interviews and gathering comprehensive information about their activity.

The criteria for the selection have been these:

- the companies are private actors operating in key sectors of foundational economy: one company in the agricultural sector; another company in the personal care services sector (elderly care), and the remaining two in the cleaning/sanitation and in the collective catering services;
- they are all companies that have been employing foreign workers for a long time and have a high percentage of foreign workers in their staff;
- they are all well-established and well-known subjects in the mountain area in which they operate and where they have their head-quarters;
- they are different from each other in terms of size (number of workers, size of turnover, business), kind of company (private company, social cooperative, agricultural cooperative) and also in terms of the value system that supports the company, which makes it possible to highlight a different relationship between company philosophy and its approach to migrant workers.

The four selected companies are:
1. **Company 1** is an agricultural cooperative founded in 1987 and located in Pellice Valley, within the territory of the Metropolitan City of Turin, in a predominantly mountainous area characterised by a mixed economy in which agriculture accounts for 14%. In this area, there is a prevalence of livestock but also a component of agricultural production, especially fruit production. The cooperative was one of the first in Piedmont converting entirely its activity to organic farming. It produces fruit and vegetables, as well as fodder for animals, with a client base covering the whole metropolitan area of Turin, and an annual budget of 2 million euros. The company has 25 permanent workers, 10 of whom are foreigners (40%). During the harvest time, foreigners account for 50% of the manpower, including several temporary workers.

2. **Company 2** is a RSA (Residenza Socio-Assistenziale), e.g. a socio-medical structure hosting mainly elderly people. It was founded in the late 19th century as a charity and it is based in Pellice Valley, within the Metropolitan City of Turin. It also hosts a day-care centre for people suffering from senile dementia and Alzheimer’s disease: patients come from the whole metropolitan area of Turin. Company 2 is located in a territory with a strong welfare vocation, with no less than 29 RSAs within the ASL Pinerolo area (the ASL is the local health authority, here supporting about 120,000 inhabitants), so much so that the area can be defined as a sort of "district" for the elderly care. Company 2 is part of the Diaconia Valdese, a non-profit ecclesiastical organization of a protestant church, that offers, connects and coordinates social services and manages around 15 care and welcome facilities in various regions of Italy. The Diaconia employs around 700 people throughout Italy and has an annual budget of around 13-14 million of euros a year. The specific annual budget of Company 2 is over 3 million. It employs 78 workers, 12 of whom are foreigners (15%).

3. **Company 3** was established in 1994 in South Tyrol (Bolzano) as a “type B” social cooperative for the inclusion of disadvantaged people, in accordance with the Italian Law 381/91 on social cooperatives. Company 3 is mainly active in the sector of cleaning services and collective catering and has a range of action covering the whole South Tyrol: its clients are mainly retirement homes for elderly people, hospitals, offices and public administrations headquarters. The members of the cooperative are 110, of which 100 are working members and 62 of them (62%) are foreigners. The annual budget of the company is
1.5 million euro.

4. **Company 4** is a private company founded by a local family in 1985, in South Tyrol, and headquartered in Bolzano, even though it has also subsidiaries in three other EU countries. The company operates in two main sectors: sanitation and collective catering, with a radius of action covering the whole South Tyrol and with customers mainly in the hospital and school sectors. In addition, there are also patient transport services and home-hospital transport services. The number of workers in Italy is 6903 of which 2005 (29%) are foreign workers of 91 different nationalities. This high percentage of foreign workers is mainly due to recent years, when there has been an increase from 19 to 29%. If we refer to Company 4, South Tyrol alone, the percentages of foreign workers is very high: here, out of the **870 workers, 461 (53%) are foreigners.** However, there are differences in the proportion of foreign workers in relation to the individual occupational fields: among office workers only 4% are foreign, among food/catering workers 37% are foreign workers, and the percentage increases if we consider the clean sector (77% of foreign workers). **Company 4 Italia's annual budget is more than €215 million.**

With regard to the **sample, methods and the ethic aspects** related to the fieldwork, **interviews** were all realized online in March/April 2021 (due to Covid-19 restrictions), on Zoom platform for video calls. **For each company the sample of the 5 interviewees** was defined together with the general management of the firm, considering the need to differentiate it internally with respect to the role, nationality, gender and age of the respondents.

The research team selected respondents from lists of possible interviewees, provided by the contacted companies. The cooperation of the managers of the companies was crucial to reach the workers, as it was not possible for the researchers to go on the field, due to the anti-Covid-19 restrictions. From a methodological point of view, this selection procedure is likely to produce biases with respect to the representativeness of the sample: however, the researchers were able to have some control over the larger lists from which the respondents were selected, ensuring the diversification of the sample with respect to the criteria set by the research. From an ethical point of view, on the other hand, it is possible that the respondents were to some extent influenced in their answers by the fact that they were selected by their employers for the interviews. However,
this kind of problem would have arisen in a similar way even if the selection had been made directly by the researchers, since the respondents are in any case in an asymmetrical relationship of power with the managers of the companies in which they work (Anyan, 2013)

The sample of the interviewees results composed by 20 people: 7 of them are Italians, while 13 are foreigners, coming both from European and non-European countries.

Italian interviewees are all in managerial roles within the selected companies: 5 are men and 2 women, with an age comprised between 40 and 55 years.

Foreign interviewees are all employees, aged between 23 and 55: 4 are male and 9 female. They come from Europe (EU and non-EU countries: Moldova, Romania, Albania, Poland and Spain), North Africa (Morocco), Central Africa (Uganda, Senegal, Benin) and Latin America (Cuba and Santo Domingo).

Each session of interview was organized involving the general director/manager of the company first (to allow a general presentation of the company and of its activities) and, immediately after in individual online sessions, the other four professional figures of the firm, mainly foreign workers. Each individual session lasted about 30 minutes and has been audio-recorded, with the explicit permission of the interviewees (see: MATILDE Consent form).

The 20 interviews took place without any particular difficulty in terms of management: dates and timing were organised by the company itself, which meant both a rationalisation of the time between one interview and another, and the easy availability of foreign workers for the interview. However, it is possible that, having entrusted the organisation of the interviews to the management of the selected companies, together with the fact that migrants were interviewed as workers in that company, ended up influencing to some extent the opinions and the general attitude of the interviewees, towards a more positive approach with respect to their job position, in particular.

This meant a general positive, and in some ways “cautious”, approach of the interviewees to the relationship with the researchers, especially in relation to those questions that aimed exploring the interactions involving foreigners and the local community: in several occasions, it seemed that
interviewees reacted almost as if any critical judgement could be read as a critical judgement towards the company itself.

Another aspect of the interaction to be considered is that of **linguistic comprehension** (Welch and Piekkari, 2006). Some of the interviewees have a basic knowledge of Italian (and no knowledge of English). Therefore, as suggested by the guidelines for the qualitative part of WP4 (Task 4.3), the questions of the semi-structured interviews were not always asked in the same order as originally proposed, in order to facilitate a more fluid narration of the interviewees; at the same time, simplified language and short sentences were used when possible.

Certainly, the dimension of the physical distance, related to online **interactions from remote**, represented a critical element, in particular when the interaction involved people with linguistic difficulties: in this sense, visual interaction provided by the online environment of Zoom platform helped the participants in creating a social connection and a favourable communication environment, as well as facilitating the mutual understanding of questions and answers: by phone, some of these interviews would have been impossible to carry out.
In order to understand if and how migration, and in particular hiring foreign workers, has brought to changes in entrepreneurial models - in particular related to the business culture and innovation within the different companies - it is necessary to consider first the specificities of the four companies, both in terms of the relationship between the company and migrant workers and of the kind of product/service provided. This allows us to define what is meant by quality of work in each company, what spaces there are for innovation and what this innovation could consist of, in relation to hiring foreign workers. Finally, it is important to consider whether and to what extent foreign workers can be considered as direct or indirect agents of innovation.

THE RELATIONSHIP BETWEEN THE COMPANY AND FOREIGN WORKERS

Despite the fact that the four companies invest heavily in foreign staff, all the general directors/managers interviewed state that what counts above all in the company is the quality of work, not who concretely does the work. The line held by these respondents is that of equal rights and duties for all the employees within the firm, whether foreigners or Italians; this can explain the almost total absence of explicit corporate communication strategies that refer to foreign workers, also when considering the websites of the companies, and in the words of the managers:

“From the point of view of corporate communication, the presence of foreigners does not enter explicitly. What we do is talk about equity in our company, diversity of ethnicity, of gender or other does not make a difference”. (Company 4, General Manager, ITB26).

The position of the company managers with regard to foreign workers assumes different tones, as in the case of a social cooperative in South Tyrol, where the issue of foreign workers seems filtered through the company’s value system:

“The logic of the company is a win-win one, and the idea is to establish ourselves as a point of reference for the whole society. Years ago we made a project involving a network of companies to promote the integration of asylum seekers: with the help of local associations, such as Caritas
or Binario 1, we organised interviews aimed at recruitment of refugees” (Company 4, Responsible for selection and project organisation, ITB27).

Similarly, the director of another company in the Metropolitan City of Turin states that:

“being foreigners did not influence our choice of recruitment. We are interested in people having the title of socio-healthcare assistant, and making a good impression on us, in line with our values...” (Company 2, Manager, ITT22).

However, the interviewee then adds:

“... we are known for being welcoming and liberal because of our history, in which we have been subject to persecution, ethnic cleaning and massacres; in addition, our Church has always encouraged international relations in neighbouring countries where there are many Protestants. These are the factors that probably also distinguish us in the eyes of job seekers.” (Company 2, Manager, ITT22).

All the companies operating in the services sector share the conviction - proven by official data from Italian statistics (ISTAT, 2018) that Italians snub the positions occupied by foreign employees in their firms because these are jobs with low social desirability:

“Right from the beginning we started to hire foreign staff, especially for collective catering, which is a job with a low social desirability and which, in areas where there is full employment, like South Tyrol, is of little interest to Italian workers.” (Company 4, General Manager, ITB26).

Similar opinion is expressed by the manager of the other company in South Tyrol:

“South Tyrol is the worst area in terms of personnel recruitment, because it is really difficult to find Italian workers, except for those who belong to fragile categories with social or psychological problems. In 1994, when I recruited the first black worker from Senegal, they asked me if I’d gone mad...” (Company 3, Manager, ITB21).

The same consideration about social desirability is also affirmed by a socio-healthcare foreign worker of a company in the metropolitan city of Turin:
“The negative thing of my job is the consideration that others have of it: many people think that whoever does the socio-healthcare work must only wash the body of the patients, and people do not know what this job really is. Actually, this is a very good job”. (Company 2, Socio-healthcare worker, ITT26).

The decision to employ foreign staff is also due to the fact that the public bids in which the companies participate concern organisations (hospitals, offices) located in the city, where many foreign workers live: "There are very few bids in the villages. And since foreigners mainly live in the city centres we already find them included in the bids.” (Company 4, General Manager, ITB26). On another side, the issue of social desirability seems to be only implicit in the statements of the manager of the agricultural cooperative in Turin metropolitan city:

“We would also recruit Italian workers, but no one of them wants to stay more 2-3 months at a time, and every contract we do costs to us 100 euros. The only ones who give you certainty are foreigners... even if in the last year there has been an increase in Italian workers, who have lost their jobs because of the pandemic”. (Company 1, Co-founder and manager, ITT27).

As shown by the Italian literature on the phenomenon of the so called “new highlanders” (Corrado et. al., 2014; Barbera and Membretti, 2020), some rural professions abandoned by Italians in past decades have in recent years become attractive again for young people leaving the cities in search of a different lifestyle in the Alps or Apennines. This return to the mountains, however, does not seem to open the way to possible competition between Italians and foreign immigrants in terms of access to the labour market. In fact, the new Italian mountain dwellers tend to develop autonomous enterprises or economic activities (e.g. agritourism, cultural activities, etc.), often based on their own economic and socio-cultural capital, that are very different from those sectors in which foreigners find employment, basically as dependent workers.

There is a general agreement among the directors/managers of the companies involved in the research that the jobs positions offered by their firms represent excellent opportunities, when not the only ones, for foreigners to enter the job market, in particular in these rural and mountainous regions. As a manager in South Tyrol states:
"I believe that real integration for young people comes through school, while for adults through work, which provides inclusion, income, relationships with colleagues and with the territory. The best people either make a career within the company (because our sector allows this possibility, even if the worker doesn’t have the basic educational requirements), or they can leave the company with an enriched CV and look for a good job elsewhere”. (Company 4, General Manager, ITB26).

However, as some managers recognize, if the employer does not differentiate between an Italian and a foreign worker, customers sometimes do. In fact:

“The customer prefers Italian staff. The foreigner brings a lot of problems, starting with communication and language, so the client cannot easily communicate with them... The situation is also worsening now: in the past there was greater acceptance, while today in Bolzano it is difficult to get even an Albanian or Moroccan person accepted”. (Company 3, Manager, ITB21).

The issue of differential treatment by clients of services with respect to immigrant workers - a well-known theme in the literature - has been analysed in particular in one of our case studies - South Tyrol - in a recent comprehensive report on foreign immigration in the region (Medda and Membretti, 2020). The data collected and presented in the report confirm the perception of the people here interviewed: often, especially in recent years, clients of some services (as cleaning companies but also restaurants and bars) show an increasing prejudice or even intolerance towards foreign personnel.

THE IMPACT OF FOREIGN WORKERS ON COMPANIES’ PRODUCTS AND SERVICES

Among the companies involved in the research, one offers products (agricultural cooperative) to the market, while the other three companies offer services. Although they are all labour-using companies, in which the processes of automation and technological innovation are not particularly present, the role of foreign workers is very different from each other, both in terms of interaction with other subjects and in terms of the skills required.
In the agricultural cooperative of MC Turin, most foreigners work in the fields (picking fruits, cultivating the land, etc.), having no direct contact with the final customers. The quality of their performance is therefore to be found in the agricultural work itself, i.e. in the process of cultivation. As the manager of the cooperative states,

“You have to train foreigners anyway. It is not very easy working in agriculture and you have to learn, sometimes on a one-to-one training basis. Workers need to be followed, even if the work equipment is not difficult to use. Foreigners in their own countries usually were not peasants, even if they tell you they were. They have good will, however, and the 80% of them obtain good results. In the sector of animal breeding you have to choose the smartest foreigners, and the same is for activities such as pruning of the trees, because not everyone knows how to do that. Foreign immigrants may do less specialised work such as fruit picking, and you have to accept the workers you find because you need them. So, there is no labour competition between Italians and foreigners”. (Company 1, Co-founder and manager, ITT27).

Once again, the interviewees emphasise that the work performed by foreigners is related to simple and elementary tasks, for which no special qualifications are needed, but rather a short initial training. This type of work is not at all attractive to Italians, and there is no substantial competition with local workers or new highlanders.

Although there is an issue of learning/training and professional specialization, in agriculture the work done by the foreign employees seems to have a little impact on the final product. In fact, it is a simple job of picking fruit or vegetables, i.e. with a low level of specialization and few repetitive tasks, and not a job of processing/transfoming the final product, which would involve more expertise and specific operations. On the other hand, considering the service companies, the work done by foreign workers seems to have a stronger impact, in particular on the quality of the service provided as this can be seen as a more complex set of activities, involving more competences within a relational process.
From the interviews with the three service companies emerges a particular interest in searching for the quality of the offered services. In general, a theme recalled in the interviews with the managers is that of standardisation, i.e. ensuring, through certain procedures, the same quality for all the services provided over the time. This emphasis on standardisation appears a response to the need for simplification of tasks and control of behavior expressed by the company in relation to the workers.

From the analysis of the interviews it emerges that the service quality can be achieved through different ways:

a) by means of accredited training courses coupled with the possibility of somewhat personalising the service provided, bringing personal skills into the play. This is the case of the Retirement Home in the Metropolitan City of Turin, where foreign workers are hired only if they have the title of socio-healthcare operator, e.g. a title obtained through a one-year course that gives a professional title, recognised throughout Italy. It should be noted that, in this case, the service offered has a strong impact on the final client, as it involves direct interaction with patients or other fragile categories.

In this process of care, both foreign and Italian workers seem often able to bring their relational skills into play, such as listening skills and empathy (skills that are of very little use in other work activities, such as fruit picking or cleaning, typical of other firms). The relational skills are also useful to the foreign volunteers who work alongside the socio-healthcare operator (foreign volunteers are foreigners included in projects whose task is to support retirement home staff in their work).

One respondent goes so far as to define the condition of ageing dementia in some ways as being close to the substantial aphasia of foreign immigrants, when the latter do not even have basic Italian language skills. At the same time, however, this kind of aphasia seems to favour – at least to some extent and despite its critical impact on migrants integration - the development of relational skills, of non-verbal interpersonal communication, based on empathy and the language of gestures, mimicry and emotions.
As a manager says, “Our patients often have senile dementia, which means a progressive decrease in the use of verbal communication channels, speech. Foreign volunteers come close to a similar condition, as they do not excel in oral speech (in Italian), and this actually facilitates non-verbal communication” (Company 2, Manager, ITT22).

Sometimes even the fact that migrants and patients share similar rural background facilitates communication, as a foreign worker declares: “The patients are very old; however, we understand each other well because they had a rural life when they were young and I also come from the countryside” (Company 2, Socio-healthcare worker, ITT25).

Relational skills are useful in intra-company interactions, between colleagues, and especially between foreigners of different ethnicities. As a manager states: “As foreign workers come from different countries, conflicts may arise, and we have to make the right matches between them; the ethnic mix can also result good for the work performance, so we pay attention to it. The massive presence of people from the same ethnic group in one sector can represent a positive factor but it can also create a socio-cultural subsystem that is too autonomous. So, you have to stay below a certain threshold, which is not definable a priori, which has to be kept under control” (Company 4, General Manager, ITB26).

Ethnic mix is therefore presented as an organizational strategy for avoiding the creation of homogeneous groups of migrants, as these are perceived by the firm as a potential threat, due to their excessive authonomy. At the same time, it seems that the managers do not consider the potential, in terms of innovation and cultural change, that ethnic groups can bring to the organization of labor, when internal dynamics are to some extent re-designed on the basis of this sub groups, enhancing innovative practices (Ozgen, Nijkamp and Poot, 2011).

In the words of the managers, internal relationships result better if the company promotes integrative activities, involving all the workers:
“There is good sociability, good relationships, a general sense of friendship. We have always promoted ethnic lunches and dinners, even here in the structure, and we have cases of volunteers adopted by families of operators". (Company 2, Area manager, ITT23).

b) Quality of service can also be pursued through a high degree of **standardisation and simplification** of procedures, although this means keeping foreign workers far away from opportunities of qualification, of professional growth: this the case in particular of the two sanitation and cleaning companies in South Tyrol. Even if in this case it is usually present a training process, this is in charge of the company and it concerns the acquisition of the basic procedures/skills useful to carry out the work in that specific sector. No formal educational qualification is required. While offering training to foreign workers, in order to overcome the language deficits, **visual** (video, demo) **and chromatic language** is favoured, rather than written/spoken one, in order to help memorising procedures in sequence, through a process of association:

"In the clean area we have fairly standardised procedures because speed combined with quality makes the difference: we have to be very effective, because we happen to clean chirurgical rooms in hospital and therefore everything has to be sanitised in 20 minutes. That's why we use images a lot, to teach". (Company 4, Responsible for selection and project organisation, ITB27).

Efficiency and quality of the services guaranteed by the firm to its clients rely, in the end, on procedures of hyper-semplification of work and tasks, that keep the migrant worker in a kind of minority status, without the concrete opportunity of developing specific skills and even learning Italian on the job.

c) Another way of achieving service quality by the firms is upstream of the training itself and allows, among other things, a **reduction in training time but also a rationalisation of working time**. In this case, the procedures, as well as being standardised, are also very simplified, as a manager says:

"The first thing we did was, from the beginning, to set up a system of cleaning services with ready-to-use equipment and products: a spry type with ready-made solutions, mops for washing pre-soaked floors, so that the workers, even if they did not know the language well, would be able
to work without accidents, without damaging the facilities, and doing quality work. In this way we rationalised on time (no longer wasted preparing detergents) and training”. (Company 3, Manager, ITB21).

Moreover, the language problem is recognised by foreign workers themselves: “For the people who work in the cleaning sector the problem is the language.” (Company 4, Head of service – Clean area, ITB29). At the same time, these workers often seem to lack knowledge of basic household tools, as they do not have a previous experience about: “Among the staff, many African women do not know how to use the hoover, in floor washing you have to know the detergents and often they do not.” (Company 3, Head of service – Clean area, ITB25).

This lack of skills of the foreign workers, to some extent related to different cultural approaches to household keeping and the use of particular tools (i.e. hoover or detergents), once again is considered by the firm as a matter of fact, a kind of handicap: instead of training the workers, upgrading their skills, it is preferred to downgrade the complexity of the different activities or to avoid the use of specific tools. At the same time, this reduction of complexity can lead to a particular – and controversial - type of innovation, as we will discuss below.

FOREIGN WORKERS AS INDIRECT FACTORS OF INNOVATION

Considering the labor force, what is the margin for innovation for the workers within these companies? And in particular, what is the role of foreign workers with respect to innovation processes? In order to discuss and analyze innovation, one must think of a process, or a way of working, applicable to all subjects, which can be exported to other similar contexts, or at least which goes far beyond the individual level. From this point of view, it seems that, at least in some of the companies investigated, foreign workers can be considered indirect factors of innovation, both in the field of training and in the field of production processes.

First of all, considering training, in the decision to invest in foreign workers, as appears in the service companies analysed (where there is no legal requirement for a specific qualification), innovation has been connected to the training on-the-job. It was therefore decided by the
company to focus, for example, on a new training approach using didactic tools based on a visual and chromatic language instead of words.

Considering production processes, service companies were urged by the high number of foreign workers to **accentuate the standardisation** of these processes: this was both in order to meet the quality and speed standards required by the market, and to **counteract the great socio-cultural and linguistic heterogeneity of the staff**, who come from so many countries and therefore lack a common working culture, a common language and a common corporate culture.

However, it seems from the analysis of the interviews that **some companies have less need to innovate**, either because the type of work carried out by the foreign employee does not affect the quality of the product (agricultural cooperative), or because there is already a nationally recognised qualification to guarantee the quality of the work (the socio-healthcare diploma for RSA workers).

In all cases, it seems that foreign workers can only be considered as indirect factors of innovation within the context in which they operate. In fact, due to the extremely hetero-directed job conditions, which leave little freedom for individual initiative, it seems that the work structure lacks the necessary prerequisites to promote migrants as direct agents of innovation.

Moreover, the kind of innovation activated due to the presence of foreign workers is controversial: in fact, the firms investigated seem to innovate their procedures as a strategy of adaptation to the challenges posed by the integration of migrants into the organizational framework. Foreign workers appear passive within these processes, without concrete opportunities of agency with respect to their working conditions, skills and professional career. Cultural and linguistic diversity among migrants is seen by the firms mainly as a problem to solve than as a resource to invest in.

Therefore the fact that foreign workers come from different socio-cultural milieux is not perceived by the firms as an opportunity for giving them some room for experimenting forms of direct innovation. At the same time, when considering foreign workers within these firms, it seems that the typical characteristics of the innovator (Olzle, Mansfeld and Gemunden, 2011; Gagne and Deci, 2005) are almost totally lacking or in any case very difficult to identify. Among these, first of
all: a strong and recognized professional curriculum; professional specialization; and an aptitude for entrepreneurship and personal autonomy.

None of the foreign interviewees has a recognized and specialised professional curriculum and often, once arrived in Italy, they change their original professional position, not finding the suitable work conditions to transfer the previous skills into the new job, even when it is a similar one. As an agricultural worker states:

"I started in 2019 to work in agriculture but it was almost a new job for me. In Benin I used to help my parents working in agriculture because I lived in the countryside, in a village. I knew a little about agricultural work, but I still had to learn. In my country there was no apple-picking and no pruning. There are many differences in agriculture as well, although the hoe is used in both countries". (Company 1, Agricultural worker, ITT28).

In the opinion of the managers, entrepreneurial attitude, but also the active search for career advancement, seems also rare among foreign workers. As a manager states, "some have become heads of service, but the rest are mainly operational." (Company 4, responsible for selection and project organisation, ITB27).

Also interest in participation and cooperative attitude among migrants workers seem lacking in many cases:

"As working members of a social cooperative, a form of participation should be encouraged, but in reality they are not so interested in participating. We try to involve them so that they feel they are part of something, that we are all working together, for the same goal. But they don’t always understand the difference between being a partner and being an employee". (Company 3, Responsible for the storehouse and administrative management of the staff, ITB22).

And again:

"With some foreign workers it’s a struggle, they don’t know how to do, what to do, and they don’t learn, they are not autonomous. I have had more than 3,000 people and maybe only two have grown in their work to become head of service. They are very humble and willing, but they
only put their arms and strength, because they say they are used to being led’. (Company 3, Manager, ITB21).

Once again, these statements need to be contextualized within a more comprehensive analysis of the firms investigated: in fact, it seems that the concrete conditions of labor within these firms - and in particular their organizational environment, based on standardization, and hyper-semplification of language and tasks, do not offer so many opportunities to the foreign workers for developing cooperative attitude, entrepreneurial spirit or even the desire to participate more actively in the life of the organization. The concrete possibility of agency for migrant workers seems lacking, at least in many cases.
The two companies involved in South Tyrol are both located in the city of Bolzano (107,000 inhabitants), although in the core of a mountainous region, while the two companies within the Metropolitan City of Turin are located in two small villages in the Pellice Valley (Luserna San Giovanni, 7,000 inhabitants; and Bibiana, 3,000 inhabitants), about 80 km from Turin city center. Almost all the foreigners interviewed live fairly close to where they work, often few minutes by car or reachable by walk/bike.

From the interviews carried out, it seems that first there was a choice of place of residence, and then there was a work-related choice, both for the respondents from South Tyrol and from the metropolitan city of Turin. However, in relationship to the different economic situation characterizing the two territories, in the case of South Tyrol the labour supply always appears to be a relevant pull factor for settling in certain areas or municipalities, while in MC of Turin the availability of low-cost housing in mountain valleys close to urban areas seems to be the prevailing pull factor (Membretti and Lucchini, 2018).

Migrants arrive in a specific area mainly through family strategies: or to join a relative (sister, cousin, uncle) or, only for women in our case-studies, because of new family bonds (marriage or cohabitation with local men):

“I came from Cuba to Pinerolo in March 1999 following my husband who was Sicilian but lived in Pinerolo. I remember that it had snowed … it was the first time I had ever seen snow…” (Company 2, Socio-healthcare worker, ITT24).

Only one interviewee came explicitly for work reasons: “I arrived 20 years ago for economic reasons (helping my family): I was supposed to stay 3 months and instead 20 years have passed…” (Company 3, head of service – Clean area, ITB25). In another case the reason was related to the migration process, i.e. being included in a reception project for asylum seekers and refugees.
However, it is clear that the work dimension is fundamental for all respondents, as it is the key factor enabling them to remain in the area, within a family strategy, once they have settled down there.

**All the foreign interviewees declare to appreciate their actual place of residence** (that is very close to their place of work, in most cases): this is also the case of the minority of respondents who, in their country of origin, used to live in a more urbanized context and here in Italy now reside in a mountain town or village.

However, it seemed necessary for them to put in place some **adaptive strategies** when moving from a big place, like a megalopolis of the Global South, to a small one, in a rural context: “Bolzano is small, clean, if you come from a big city you suffer a little…” (Company 4, Clean sector operator, ITB30). But also vice versa, from a rural place to an urban one:

“I am Ugandan, I came to Italy when I was 15 years old because my mother married an Italian who lived in Bologna. I spent most of my childhood in Uganda in a small village, so the change was enormous.” (Company 2, Socio-Healthcare worker, ITT26).

**Almost none of the foreign interviewees seem to have any intention of coming back** to their country of origin or seem to be particularly nostalgic about it, except for one case of a foreign interviewee living in Pellice Valley (Metropolitan City of Turin) who states: “This is my country, but I also miss my country of origin, I go there every year. Maybe in the future I will come back.” (Company 1, Agricultural worker, ITT31). An interesting fact, which perhaps justifies in part the nostalgia for her country, is that this interviewee (one of the few who shows explicit interest in professional growth and career), **has difficulty in getting her work projects off the ground** here:

“I would like to become an entrepreneur but I would have to move, because it is difficult here, because the colour of the skin doesn’t help, the clients wouldn’t come. I’d like to open a business and I’ve talked about it with my son, like opening a restaurant or even something smaller, specialising in Dominican cuisine or Dominican products… but it’s difficult, in that sector Romanians or Moroccans prevail, they have lighter skin. Maybe in the city it would be different, there are more possibilities, they don’t look at colour or race…”.
The simpler lifestyle of rural and mountain localities is generally appreciated by foreign workers with respect to the actual place of residence, but also the environment and nature, free of smog and traffic, as well as a certain absence of social tensions. One interviewee says:

"Here the environment is beautiful, in the middle of nature. In the city people don't feel well: there is smog, traffic, both for you and for the patients you look after... On the contrary, newcomers in this territory find a job, well-being, cheap rents, a quieter pace of life. Thanks to us, the territory can have an occasion of renewal: I have already introduced a bit of Ugandan culture, so locals start to learn about other cultures". (Company 2, Socio-healthcare worker, ITT26).

Another interviewee similarly declares:

"I live and work in the same area. I was lucky, I found families who treated me like a daughter; it is a two-way relationship, if you are predisposed the relationship, it works. I was very helped and supported. Here in the valley I found myself well. They are simple people". (Company 2, Socio-healthcare worker, ITT25).

However, among both the foreign respondents from South Tyrol and from the Metropolitan City of Turin there seems to be little territorial awareness: it often seems as the respondent, although settled in a mountainous region, is not aware of the specific environmental conditions in which he/she is living: this appears in particular true when considering the mountain dimension. Respondents refer to their places of residence mainly as "village" or "town", sometimes to the "countryside", or, more rarely, to the "valley": but there is not much reference to the "mountains". The mountain dimension, with its related to a western Alpine imagery, does not seem to be perceived as such by the interviewees, or appreciated, in any case. For example: “I like South Tyrol and I want to stay here, where there is everything ... only the sea is missing.” (Company 3, Dining room and kitchen attendant, ITB23).

In particular, those migrants who live and work in Bolzano, although this is a small town totally surrounded by the Dolomites Alps (a UNESCO Heritage site, known worldwide), perceive themselves as "city dwellers" and confine the mountains only to the valleys close to the town, as in the case of an interviewee, who says: “I have never worked in the valleys, only here in the city.”
In some cases, it seems that the interviewees show more territorial awareness, in particular with regard to mountain environment:

"In Cuba I used to live in Santa Clara, in the rural area of the island. So, I am used to the rural environment and I’m attached to these mountains (of Piedmont). I don’t want to go to a big city, nor to Sicily, nor do I care to go back to Cuba." (Company 2, Socio-healthcare worker, ITT24).

Or again:

“I prefer to live here, in the Valley, even if I have been working in Turin and I got on well with public transport, because I didn’t have a driving licence at the time. I have settled down well here, I like the mountains, also because with the pandemic it is better to stay in the mountains.” (Company 2, Socio-healthcare worker, ITT25).

However, some foreign respondents talk about the mountains in a negative way and refer to them as if they were actually living elsewhere, or show the desire to abandon mountainous regions in the future: “In Romania I lived in a village, in the countryside. I prefer life in the country, but I don’t like the mountains. If God wills it, I’ll stay here for the rest of my life…” states a resident of Pellice Valley, in the Metropolitan City of Turin (Company 1, Agricolture worker, ITT29).

Therefore, trying to solicit the interviewees on the topic of mountains and the fruition of places, it seems from their declarations that the interviewees, even if living in a mountainous place, do have just a **partial vision** of it: they always make the same daily journeys (from home to work, etc.), they do little exploration of local surroundings and they seem having consequently a **poor or limited knowledge of places**: “I am not interested in living close to the mountains. I prefer to stay in the village, I only walk on the plain…” says an interviewee of Pellice valley, in the Metropolitan City of Turin (Company 1, Agritourism cook and agricolture worker, ITT30).

The type of work they do, the small circle of people they meet (often referred only to other migrants), the lack of knowledge of the local language and culture, together with the lack of private means of transport, are some of the factors that seem to push migrants towards a relationship
with the territory that is limited to urban areas or villages, with little or no opportunity to get to
know the surrounding natural environment.

After all, these foreign workers are people who have travelled a long way to get to Italy, but
they often have not visited this country and have known very few places other than where they
actually live. So it becomes difficult for them to make wide comparisons and to acquire a
contextualised sense of place and its specificity, in particular when coming to rural and mountain
landscapes:

“Even in Novara I lived outside the city. I have never lived in a big city, only for a short time in
Syracuse. Would I like to live in a big city? I like where I live now because it’s quiet, there are no
noises, strange things don’t happen, where I live, I like it.” (Company 1, Agricultural worker, ITT28).

With regard to the impact that foreign workers have on local communities - i.e. the
indirect social impact of the economic one - all the interviewees (both foreigners and Italians)
tend to privilege, in their answers, the social and relational dimension, not focusing so much on
the economic one, with answers such as the one given by an interviewee:

“Maybe I am a lucky foreigner, when I arrived in Italy I was already married and I integrated
well (my husband is Italian); I have a good relationship with everybody. In my opinion the local
community behaves on average well towards foreigners, I don’t think there is rivalry. I always see
things in a positive way.” (Company 2, Socio-Healthcare Worker, ITT24).

Migrants respondents state in general that they have good relationships with locals, but
this answer may be somewhat influenced by the fact that the interviews took place under the
organization of their company: so, a more critical answer could have been partly interpreted as a
negative evaluation of the company itself.

Analysing the answers of the foreigners interviewed, it seems to some extent that the
distinction foreigners/Italians is not perceived/represented as so relevant in their everyday
life, just as it did not seem to exist in the opinion of employers (see previous paragraph). We should
consider, however that the interviewees are either managers who have been used to a multi-
ethnic work environment for a long time or, for the most part, foreign workers whose migration
process ended long time ago and who claim now to be integrated into the Italian society, at least listening to their own words.

Territorial and social inclusion is achieved first of all through work and labor integration: “I had a small world and this one has widened, because I feel accepted and valued for the work I do”. (Company 2, Socio-healthcare worker, ITT25).

Another important factor of local inclusion, in particular for migrants children, is identified by many respondents in school: “With the increasingly mixed schools, the problem of a distinction between Italians and foreigners does not exist.”(Company 4, Clean sector operator, ITB 30). Even more significant is the declaration of another interviewee:

 ”When I started secondary school on the first day, I entered a world where students came from all countries. It's like being equal to everyone. I saw many colours, and all together, and the thing that mattered was the value of the person, the humanity transmitted. This made us all feel equal, and there were also Italians among us learning in secondary school, and we were all equal” (Company 2, Socio-healthcare worker, ITT25).

Finally, another agent of territorial inclusion seems to be religion, when migrants share the same confession of the Italian communities in which they have arrived:

”In general, at the beginning you feel different, it takes time; I am Catholic and I joined a group of young Catholics who were talking about these issues (migration). It helped me a lot this confrontation and talk to be able to integrating” (Company 2, Socio-Healthcare Worker, ITT25).

And again: ”I have Italian friends and we are united also by the religion of the evangelical church; I have many friends in the valley…” (Company 1, Agricultural worker, ITT31).

Most of the migrants think that the prerequisite for developing good relationships with the local community, however, is not to create problems or tensions with the hosting community: “There are many foreigners in Bolzano, but I feel good because I behave well and therefore I have no problems.”(COMPANY 3, Dishwasher and cleaner, ITB24). Keeping yourself quite invisible in the public space, following blindly the rules of the majority of the society, reducing the occasions of
potential frictions, seem to be part of individual strategies that, to many extent, appears closer to mimicry than to integration or cultural dialectics.

On the other hand, as recognized also by the employers, there seems to be no real competition for access to work between locals and newcomers, and consequently very few occasions of friction in the labor market:

“I have often heard about competition between foreigners and Italians, but it is not so in fact: jobs are vacant and they are open to everyone; if you are fine with it, you accept the job.” (Company 3, Dining room and kitchen attendant, ITB23).

However, when during the interview there is an attempt to bring the discourse on the economic impact of foreign workers on the territory, the answers are not very significant and not always the question is well understood by the interviewees. There is certainly by the migrants a lack of awareness of being drivers of local economies, within important sectors as tourism, social services, or agriculture: if the interviewee is asked what advantage the territory can have in hosting foreign workers, the question is always interpreted in the opposite way, that is, “what advantages do I, a foreigner, have from living in the territory?”.

Once again, the type of work done and the position within the firm, the individual role within the wider local society, the personal cultural level and language skills, are all factors that seem to influence migrants’ awareness of their role in rural and mountain economies, and of their potentiality in terms of agency in local development processes. This tends to imply, at the same time, a limited awareness of the migrants about their rights as workers and citizens, too.

On the other hand, when considering the impact of foreigner on local economies as buyers/clients of local commercial activities, the interviewees state that all the goods and services necessary for daily life can be found in the territory. When asking to the foreigners if there are any ethnic restaurants on the territory, with a cuisine from their country of origin, it may turn out that there are none, but no one seems to complain about this.
The interviewees seem to find what they need in local shops, or at least make do with what they can find, and no one complains about the possible lack of goods or services that they had in their homeland and that they do not find here. For this reason, they seem to frequent the same places frequented by the Italians.

However, one interviewed employer has a radically different perception, when he states that migrants do not produce an economic impact on local communities because:

"there is a lot of non-EU shops where they go to buy, even for cars, or second-hand shops. Therefore, migrants are not a source of induced activity for the territory but they constitute a parallel economy" (Company 3, Manager, ITB21).

This statement, which seems more plausible for urban centres of a certain size, such as the city of Bolzano (where ethnic shops do exist), and less so for the small villages of the Metropolitan City of Turin, was not, however, reflected in the narratives of foreign interviewees.
CONCLUSION

From the interviews conducted with managers/directors and foreign workers of the four companies investigated, some relevant findings emerge.

1. **Foreign workers can be considered indirect factors of innovation for the firms**, both in the field of job training and in the field of production processes.

In choosing to invest in foreign employees, companies have had to innovate and adapt in order to respond to the extremely heterogeneous characteristics of foreign workers coming from different parts of the world and characterised by different cultures.

Innovation can therefore be identified:

- **on job training**, with a new approach based on visual and chromatic language;
- **in production processes**, both by emphasising the **standardisation** of processes and by focusing on their **simplification**, through a system of equipment and ready-to-use products.

The **companies that show a clearer attitude towards innovation are those operating in the service sector**, and in particular the ones that do not require a specific job qualification and that have a high number of foreign employees. In fact, while in product companies the type of work carried out by the foreign employee seems not affecting so much the final quality of the product, in the case of personal services, the quality of work is guaranteed by the prerequisite of a specialised qualification, which acts as a “unifying agent” on foreign workers: typically, the prerequisite of a degree enables the company to reduce the commitment to training workers, because they have already made a considerable “adaptive” effort during their studies to conform to medical protocols, standardised procedures and to acquire a set of information considered as enabling them to act in a given work sector. Moreover, the companies in which it is possible to find a more evident innovation are the bigger ones, with a high number of foreign employees, and they are operating mainly at urban scale (Bolzano).
As already discussed, due to the extremely hetero-directed job conditions, it seems that the work structure lacks the necessary prerequisites to promote migrants as direct agents of innovation. The kind of innovation activated due to the presence of foreign workers is controversial: in fact, the firms investigated seem to innovate their procedures as a strategy of adaptation to the challenges posed by the integration of migrants into the organizational framework. Foreign workers appear passive within these processes, without concrete opportunities of agency with respect to their working conditions, skills and professional career.

As a consequence, **foreign workers interviewed cannot be considered as direct agents of innovation**. There are two reasons for this:

- the **characteristics of the work context**, which is extremely heterodirected and where the functions that can be carried out by the employee are mainly operational, with little margin to individual initiative;

- the **characteristics of the interviewees**, who seem not in the condition of transfer already existing skills into the new job, due to the organizational environment of the firm, together often with personal weak professional background and low professional specialization.

2. There is **little or no awareness of being drivers of local economy** among foreign interviewees. With regard to the impact that foreign workers have on their mountain/rural communities, all the interviewees tend to privilege the social and relational dimension of living, and seem not aware of the economic one. Neither the managers of the firms, on the other hand, have underlined this economic impact, while they recognize however that local economies do need migrant workers, in particular in sectors like the ones here considered.

This **lack of self-consciousness of the migrants as economic drivers is very reminiscent of the lack of self-awareness as political actors identified in the analysis of social impact** (see WP3 report). In fact, on the political side, national particularism and ethnicity were identified as obstacles to the creation of a new multi-ethnic political actor. On the economic side, it seems that the “struggle for survival”, the individual strategies for finding a niche in the community, the “low profile” (when not a kind of social invisibility) that many foreigners are forced to adopt in order to become less visible as possible, weaken any process of awareness of being actors in economic
local development. Therefore, even the idea of developing entrepreneurial activities by the migrants seems difficult to rise under these conditions, where foreign workers are, to many respects, forced to remain in purely executive and passive roles within local economies that strongly need them but do not offer real opportunities for their professional growth and, more in general, for their empowerment and agency.

3. There is a lack of territorial awareness among the foreign interviewees with respect to their places of residence, with particular regard to the mountain dimension: in fact, if even though they live in the mountains they seem perceiving little of the mountain dimension, at least considering the representation of it that prevails in local communities; this is due mainly to the lack of exploration of their places of residence, so that the interviewees know little beyond the borders of their own municipality, and outside the built and urbanized environment. Interviewees often seem to lack the socialisation with the mountain dimension that often takes place in childhood through the experiences made with the family, friends and school. This socialisation is an important vehicle for a symbolic construction of space that includes the mountains and allows the subjects in adulthood to identify them as bearers of culture, history and values, and thus allows the subjects to develop territorial awareness at local level. Perceiving the mountains as a space that can be enacted (Weick, 1988) is also a precondition for imagining and the realizing concrete activities (cultural, recreational but also economic) outside the “urbanized world” that one can always found, even in mountainous regions.
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LIST OF ACRONYMS

BAMF Federal Office for Migration and Refugees
EU European Union
CEO Chief Executive Officer
COVID-19 Coronavirus Disease 2019
HR Human Resources
IHK Chamber of Industry and Commerce
INTERREG Interregional Cooperation
MATILDE Migration Impact Assessment to Enhance Integration and Local Development in European Rural and Mountain Regions
MED MATILDE Economic Dimension
POC People of Colour
TCN Third Country National
VerA Prevention of discontinuation of and support of young people during vocational training
WP Work Package
WWII World War II
INTRODUCTION, SAMPLE AND METHODS APPLIED

THE CASE REGION AND THE CASE SELECTION PROCEDURE

Two case regions, compromising ten municipalities in Innlandet County in Eastern Norway were chosen as the case area for this report. Combined, these municipalities are home to 27,811 of the county’s 370,603 inhabitants (as of January 1st, 2021). All ten municipalities are sparsely populated and located in rural mountainous areas (see Figure 1). The business structure in the region is characterized by agriculture, manufacturing, and tourism. To identify companies within these case regions that would be eligible for inclusion in the qualitative analysis that forms the basis of this report, we used the publicly available database Proff AS (Enento Group Oyj, Finland) as a point of departure. This database contains information about all companies registered in the Norwegian national company register (Brønnøysund Register Centre) and includes information about location, industry affiliation, business type, number of employees, and the full name of the CEO. The database also includes information about any sub-divisions a company might have, and thus provided us with a full overview of the companies in operation in the chosen case region. To select companies for inclusion, three selection criteria were employed: (1) the company should be operating within one of the ten municipalities in the case region, (2) the companies should be owned, lead by, or employ several TCNs, and (3) the company should be of a size that allows us to interview 5-10 informants connected to the company. Originally companies with less than five employees were therefore excluded from the list of potential companies, but as this resulted in a very narrow range of industries being included, the decision was made to also include companies with less than five employees.
Proff AS does not include information about the nationality of owners and employees in the various companies. Identifying companies that fulfilled the second inclusion criteria thus required extensive desk research, including searches in local media outlets, social media, and company websites. Combined, these efforts resulted in a list of only 14 companies that fulfilled the three criteria. As this number was considered to be too low to meet the required quota of 25 interviews, we sought to expand the list of potential companies by contacting our local partner, Innlandet county, who put us in touch with the municipal refugee services and local business development organizations. Through their knowledge of the local businesses, we were able to extend the list with 15 additional organizations, that included both standard companies and social enterprises. The list was then sorted in prioritized order to ensure variation among selected companies in
terms of size, localization, ownership, and industry. While our strategy for selecting social enterprises was successful, our first attempts at recruiting companies for participation were unsuccessful. We were thus forced to change our recruitment strategy. Changing instead to a snowball method using our local contacts in the case region as a starting point. This strategy proved to be successful as one of our local contacts, who had an immigrant background themselves, had had an extensive network in the regional immigrant community. This was key to the successful recruitment of companies, as mutual trust between the contact person and the organizations was key to their willingness to participate. Thus, highlighting the importance of cooperation with local partners with existing networks and established trust in the local immigrant community. This approach does, however, have its weaknesses, as the selection process is highly influenced by the local contact persons’ network and might result in a biased sample. This approach was nonetheless chosen, as it was considered to be necessary to gain access to the sample.

THE SELECTED ORGANIZATIONS

The sampling procedure described above resulted in the selection of 12 organizations that were willing to participate in the study. Several informants were interviewed in connection to each company and informants ranged from owners, CEOs, and managers to employees (both with and without TCN background) customers and partners. A total of 27 informants were interviewed for this study. The majority of the interviews were conducted in person and recorded for verbatim transcription. Some of the informants, however, opposed recording and these interviews were recorded through researcher notes instead. Seven of the interviews were conducted via phone due to Covid-19 restrictions. In Table 1 below, each of the twelve selected companies is presented in brief. The descriptions are deliberately kept brief and relatively generic to ensure the anonymity of the informants. For the same reason, references to informant codes are occasionally omitted from the text.
**Table 2: Overview of companies and social enterprises**

<table>
<thead>
<tr>
<th></th>
<th>Description of company</th>
<th>Years in operation</th>
<th>Number of employees</th>
<th>Category 1 (Type of company)</th>
<th>Category 2 (Type of company)</th>
<th>Category 3 (Sphere)</th>
<th>Family owned</th>
<th>Migrant owned</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>Manufacturing and production</td>
<td>20+</td>
<td>22</td>
<td>Private</td>
<td>Standard company</td>
<td>Regional</td>
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<td>No</td>
</tr>
<tr>
<td>2</td>
<td>Restaurant</td>
<td>3 - 5</td>
<td>8</td>
<td>Private</td>
<td>Standard company</td>
<td>Regional</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3</td>
<td>Service industry and production</td>
<td>20+</td>
<td>50+</td>
<td>Private</td>
<td>Social enterprise</td>
<td>Regional</td>
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<td>No</td>
</tr>
<tr>
<td>4</td>
<td>Coordination of volunteers</td>
<td>20+</td>
<td>2</td>
<td>Public</td>
<td>Social enterprise</td>
<td>Local</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>5</td>
<td>Coordination of volunteers</td>
<td>0-2</td>
<td>1</td>
<td>Public</td>
<td>Social enterprise</td>
<td>Local</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6</td>
<td>Coordination of volunteers</td>
<td>20+</td>
<td>1</td>
<td>Public</td>
<td>Social enterprise</td>
<td>Local</td>
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<td>No</td>
</tr>
<tr>
<td>7</td>
<td>Coordination of volunteers</td>
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<td>2</td>
<td>Public</td>
<td>Social enterprise</td>
<td>Local</td>
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</tr>
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<td>Retail</td>
<td>0-2</td>
<td>1</td>
<td>Private</td>
<td>Standard company</td>
<td>Regional*</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>9</td>
<td>Beauty and wellness</td>
<td>3-5</td>
<td>1</td>
<td>Private</td>
<td>Standard company</td>
<td>Regional*</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>10</td>
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<td>4</td>
<td>Private</td>
<td>Standard company</td>
<td>Local</td>
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<td>Yes</td>
</tr>
<tr>
<td>11</td>
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<td>12</td>
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<td>Private</td>
<td>Standard company</td>
<td>Local</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

* Regional customers

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15 To ensure anonymity approximately years in operation instead of foundation year.
THE SELECTED SOCIAL ENTERPRISES AND THE NORWEGIAN CONTEXT

Norway, which has a strong welfare state has a large public sector that offers a wide variety of services that in many other countries might fall within the domain of social enterprises. Many of the Norwegian organizations that can be classified as social enterprises thus receive funding from the Norwegian government. Company C for example, the largest of the social enterprises, operates within the private sector, but offers job training and work rehabilitation, and receives full funding for this activity from the government (WP4NOH08, WP4NOH10). The remainder of the social enterprises included in our sample are organizations that organize and coordinate volunteers who offer assistance and other services to immigrants and other vulnerable groups such as youths and the elderly. Such organizations exist in all ten municipalities in the two case regions.

TCN EMPLOYMENT AND THE REGIONAL CONTEXT

Through examination of the local company composition and conversations with both local partners and informants (WP4NOO1, WP4NOH08) it became clear that the number of TCNs employed in local companies was relatively low, but that a number of migrants with TCN background had chosen to start their own small businesses. This was especially true for one of the municipalities in the case region, where all the restaurants and cafes were owned and operated by migrants. In these municipalities, employment patterns among TCNs appear to differ from the national average for Norwegian natives (report 4.2. Statistical briefings Norway) as the TCNs in the regions seems to be employed mainly within the service sector, catering mainly to private households (i.e. retail, food and beverage, personal services, cleaning, hospitality & accommodation, etc.), as well as within manufacturing. This does, however, align with the national average for immigrants, who are overrepresented in cleaning, accommodation, and the food & beverage sector (report 4.2. Statistical briefings Norway). While there might be multiple reasons for these differences, one potential explanation relates to the formal competencies required in certain sectors. Several informants expressed frustration over the rigid requirements for employment in certain industries, where documented formal competencies are required. This was
something many of the TCNs we spoke to lacked. They had prior working experience within these industries from their native countries but lacked formalized competencies, which effectively barred them from entering into their former professions. The opportunity to gain employment without formal competencies might therefore explain the difference in employment sectors among TCNs and Norwegian natives.
THE INFLUENCE OF MIGRANT EMPLOYEES IN LOCAL BUSINESSES

In the companies that were included in this study, migrant employees with TCN backgrounds did not seem to have a significant influence on how they run their business, their business model, their company culture, or their innovation rates (WP4NOO1, WP4NOO3, WP4NOH09, WP4NOH15, WP4NOH18).

“No, I don’t think so. I don’t think hiring TCNs have influenced the company much” WP4NOH18

Instead, employees try to fit in with the company, as illustrated by the following quotes from employees in a production company:

“As far as I know, nothing has changed since we hired our first TCN employees. I don’t think so. I think we all have just adapted us to the company, to say it like that.” WP4NOO3

“We adapt to the company. Everybody is one here. Nobody is different we are all just part of the [Company name] family.” WP4NOO4

One impact of having employees with TCN background in a company, as pointed out by one of the interviewed CEOs (WP4NOO1), is that cultural differences might be a hindrance to incremental changes in work methods and processes. The reason being that Norwegian businesses are typically characterized by a flat business structure, making the distance between management and employees rather short – especially in smaller companies. Consequently, the barrier for upwards information sharing (from employees to management), bringing up issues and suggestions, is quite low. However, in the informant’s experience, this barrier was quite high for some of his TCN employees, as they come from cultures with a high level of respect for authorities, rendering them apprehensive about giving feedback that might be perceived as criticism.
“It’s not a secret that, culturally, there is a big difference in how one relates to authorities. To the extent that I am an authority, at least in the sense that I am a CEO, I notice a big difference in how locals address me and are honest with me, compared to someone coming from a different culture than Norway and Europe. You get the answers you want. Or, that’s not right: You don’t always get the answers you would have wanted, because they get lost in some kind of fear of authority or something.” WP4NOO1

This can be a hindrance to the company’s continuous improvement, as management in some instances is dependent on upwards communications from their employees to optimize workflow, production processes, and operating procedures.

In companies that are owned and operated by migrants with a TCN background, employees with TCN backgrounds are reported as having an important impact on the company’s business culture. Contributing to building a productive business culture, as such employees are described as being hard workers with strong work ethics.

“I have tried hiring Norwegians too, but it’s not the same. I don’t know, it’s like they don’t really put any effort in when they are at work to say it like that… They haven’t experienced any hardship in life, so for them it’s just about showing up, filling the hours and then leave again… They are just a bit lazy, at least compared to us immigrants” WP4NOO6

Such employees are also described by their employers as being more service-minded than their Norwegian counterparts, indicating that migrants employed in the service industry might potentially also contribute to cultivating a more service-minded/customer-oriented business culture. This seems to indicate that there are differences in the influence of migrants on the business culture in TCN owned and operated enterprises, and in companies owned and operated by Norwegian nationals. In the latter, it appears that migrant to a larger degree adapts to the company and the existing company culture, whereas in companies run by migrants, employees are given more freedom to pursue their drive, take responsibility and maintain high work ethics.
MIGRANT ENTREPRENEURS AND LOCAL INNOVATION

Several of the companies included in this study that were established by TCN entrepreneurs represented local innovations when they were first established. Being the first within the local economy to offer certain products (kebab, pizza, Southeast Asian cuisine, etc.) and services (massage), the first to use a certain type of delivery method (take away food) or to sell certain types of produce (i.e. halal meat, vegetables, and spices) that has not previously been available locally. As one longtime customer recounted:

“It was new and it was exciting that they had a bit different things because we mainly had the traditional Norwegian cafes and the local roadside cafe that served meatball and gravy. The usual stuff. But then we got this restaurant in addition, that had more international things. Not many served pizza back then”. WP4NOO7

The TCN entrepreneurs we spoke to in the case region started their business because they saw a market potential for skills that they had developed through previous work experience (WP4NOH27, WP4NOO6, WP4NOH28), or that they had gained through growing up in a different culture – such as cooking the local cuisine of one’s birth country. Others however saw an unfilled market potential and set out to acquire the skills they needed to fill this need (WP4NOH25). For some, this perceived marked potential was their whole motivation for moving to the case region, as they saw more business opportunities in a small remote area with untapped market potential and less competition.

“There weren’t that many restaurants there, so there weren’t a lot of options. So I thought it might be profitable to have a go at starting a restaurant there.” WP4NOO6

While the limited competition in these small mountainous regions can be an advantage for entrepreneurs as it makes it easier to enter the market, the market in these regions is small and can thus limit their growth potential.

In the study region, TCN entrepreneurs played a key role in expanding the diversity of products and services available locally, which seemed to be highly appreciated by the local community (WP4NOO7, WP4NOH20, WP4NOH25, WP4NOH26). For some, the companies owned by migrants were a source of local pride. They were proud to have successful migrant
entrepreneurs in their community and proud to have companies that offer a product or service that are not available in other places in the region (WP4NOH20, WP4NOH24, WP4NOH26).

Especially when these products and services were considered to be of high quality and received praise from people outside the local community.

“They are actually famous for having very good Southeast Asian food. I have heard from friends that there are top chefs in the major Norwegian cities, and other places, given their food high praise.” WP4NOH26

Some of the informants felt that the new products and services introduced by migrant entrepreneurs made their village seem more cosmopolitan. Bringing the world into their local community and giving them access to products and services they had previously only experienced or had access to while on vacation (WP4NOH26). Our findings thus indicate that migrant entrepreneurs can contribute to increasing the quality of life locally.

The local migrant population was also highly appreciative of the increased product selection introduced by migrant entrepreneurs.

“I know there are a lot of people from Syria and Thailand and other countries living here, that buy a lot of stuff from [store name] that you just cannot get anywhere else around here. Before they opened you had to travel quite far, to one of the bigger cities, like Hamar, Elverum, or Oslo.” WP4NOH20

In summary, our finding indicates that in the case regions examined in this study, TCN migrants employed in established, Norwegian owned companies do not seem to have a significant influence on company culture or innovation, but contribute to the local economy by becoming entrepreneurs and bringing new innovations into the local community.
of the pandemic back in March 2020. During the pandemic, the businesses have had to change certain routines (such as delivery and pickup routines for food), use electronic solutions to organize meetings with partners and collaborators, and place antibacterial gel by the entrance. One of the entrepreneurs used the shutdown period to add extra seats to their café, while one of the social enterprises had applied for and received “Covid-19 funds” from the government to purchase new computers. Such funds, which also included compensation for employees put on temporary leave, were made available by the Norwegian government to compensate for the consequences brought on by the imposed lockdown and reduced economic activity due to the pandemic.

All the informants asserted that they felt lucky that their business/their employer was located in a small rural community as it meant that they had been less affected by Covid-19. In both case regions, infection rates have remained low, which means that they have been subjected to fewer restrictions than the more urban parts of the country.

“I would say that we have been very lucky. We almost don’t have any cases here. I think I can count on one hand the number of cases we have had, so we have had it much easier. I have spoken to relatives living in the Oslo area and they have definitely felt the consequences of Covid-19 a lot more than us.” WP4NOH09

“There are so many people in the big cities, it is impossible to control it [Covid-19 outbreaks] in the same way as we can in the small villages like ours. So, I think it has been a lot easier for us to deal with these things. If we get an outbreak it takes 14 days and that’s it. Here you have control over who you meet and who you are with. It is just a lot easier to handle.” WP4NOO1

“I think the major cities have had a lot tougher times than us. In small places like ours, how you behave is dictated by the local infection numbers. We had a local outbreak in winter, which was pretty bad for our business, the market was almost dead, but when they got that under control customers started to come back and there haven’t been any cases now in a long time.” WP4NOO6

This allowed them to operate largely uninterrupted by the pandemic, with some businesses even increasing their profit, as local inhabitants traveled less during the pandemic and consequently spend more money locally (Company B). For others (Company A) increased sales came as a result of their clients opening new online stores, leading to a boost in sales numbers.
The participation of migrants in the local economy, especially as entrepreneurs, has had a number of impacts on the local communities examined in this study. As described in the previous section, migrant entrepreneurs have led to expansion and diversification of the products and services available in the region. A wider selection of products and services can be positive for the local community and can also contribute to drawing shoppers from surrounding municipalities into the region, thus potentially creating positive spillover effects for other local businesses.

Successful migrant entrepreneurs furthermore contribute through not only self-employment but also through the creation of job opportunities locally. This is especially important in rural areas such as the examined case regions, where employment opportunities are limited. Among the TCN migrants we interviewed, work prospects and the opportunity to get a permanent position were one of the most central motivations for why they had chosen to settle down in the case region.

"Job opportunities, it’s as simple as that. I’ve always wanted to start my own business and the major city where I used to live just wasn’t the right place to do that. I tried there as well. So I’ve had to try a bit here and there, but it was because of job opportunities that I ended up here in this region." WP4NOO6

"I used to live in a different village. I miss living there. I had a lot more friends there and I was a member of a social club related to my hobby. I miss my friends. The best part about living here is that I have a permanent position. Having a permanent position is very important." WP4NOO2

By contributing to job creation, migrant entrepreneurs thus make a vital contribution to the local community and economy, potentially reducing the speed of depopulation. One of the TCN
entrepreneurs interviewed in this study (WP4NOO6) had even hired workers from abroad and hence contributed to draw new inhabitants into the region.

The migrant entrepreneurs we spoke to also took on a role as door openers into the labor market for groups that might otherwise have difficulties entering the workforce. Offering employment opportunities to local youth with limited work experience (WP4NOO6), offering work placement and “on-the-job” language training for newly arrived refugees (WP4NOH27), as well as offering jobs to migrants with limited language skills (WP4NOH25, WP4NOO6). This is a particularly important contribution as language proficiency is described as one of the major barriers to employment both by our informants (WP4NOH25, WP4NOH28, WP4NOH08, WP4NOH09, WP4NOH10) and in the literature (see among others Clark and Drinkwater (2000), Bontenbal and Lillie (2019)). While research on the direct economic impact of migrants in Norway is limited, our findings indicate that migrant entrepreneurs can contribute to the local economy by facilitating a more diverse workforce and offering valuable work experience and employment opportunities for disenfranchised groups. Part of the motivation for this contribution to the local economy is an expressed desire to “give back” to the local community, a wish that is also expressed through for example donations to local issues (WP4NOH25) and through strategies to buy locally in support of fellow business owners (WP4NOH28).

However, some informants (WP4NOH21, WP4NOH27) stated that businesses run by immigrant entrepreneurs seemed to go bankrupt at a much higher rate than businesses owned by native Norwegians. This notion is supported by the findings of Vinogradov & Isaksen (2008) based on data from 2002 which indicated a lower survival rate among companies established by immigrants, compared to those established by native Norwegians. A more recent study by Naz (2017) however, which analysed the company type “sole proprietorships” after 5 years of activity (2009 – 2014), found an almost equal survival rate among companies established by native and non-native entrepreneurs. The survival rate of the companies did however vary considerably between entrepreneurs of different nationalities. The highest survival rate was found among entrepreneurs from Eastern European EU countries (28 percent), and among entrepreneurs with Asian and Turkish backgrounds (22 percent). The lowest survival rate was found in companies established by entrepreneurs from Africa (13 percent) and South & Central America (15 percent).
The survival rate for native Norwegian-owned companies was 21 percent. Findings from the literature thus contradict the blanket statement that businesses owned by immigrants have a lower survival rate than those owned by native Norwegians, although more research is needed to determine whether this is the case also in the specific case region examined in this study.

MUTUAL UNDERSTANDING

In addition to the economic impacts of migrant entrepreneurs, our findings indicate that migrants that have established companies based on or related to their own culture (i.e. Indian cuisine) can contribute to increase cultural understanding in the local community. Providing insight into other cultural practices and value systems and contributing to combating misconceptions and negative stereotypes. Such companies can also function as cultural “door openers”. Opening people up to trying new foods, flavours, and products that they might have initially been sceptical of. In the regions examined in this study, the local media play an important role in this regard. Since their coverage of the efforts of local entrepreneurs and the publicity gained from appearing in local new outlets contributed to gain local support for these businesses and seemed to peak the locals’ curiosity towards the new products and service offerings of these businesses. Having had a positive experience with trying new things, might encourage them to try new things again. According to our informants, the efforts of these entrepreneurs consequently contribute to a more open attitude locally, making the local community more open to trying products and services offered by other migrant entrepreneurs.

“Once you’ve dared to try one new thing, it doesn’t feel so scary to try a new thing the next time.” WP4NOH26

However, it appears that the cultural distance between the migrant entrepreneur and the local community influences the success of the business if the business is selling a product or service founded on the national culture of the entrepreneur. If the local inhabitants are familiar with the entrepreneur’s culture, for example, because fellow nationals have been a part of the local community for a long period of time, locals are more willing to try their products and services, than if these products were developed based on a culture they were less familiar with.
“Thai food is something that is not unfamiliar. It is something most people have tried. We know people from Thailand. They have been a part of the culture up here for a very long time. So had it been another type of restaurant, with a different type of food. Maybe started by someone from Iraq or Syria. Well, it would only be speculations, but I don’t know if that would have been such a big hit, because it is more unfamiliar to begin with.” WP4NOH26

Integration and cultural familiarity thus seem to play an important role in the success of companies developed on the basis of cultural products and practices.

**IMPACT ON INTEGRATION AND STEREOTYPING**

Informants describe the relationship between migrants and the rest of the local community as accepting but somewhat separated. As one informant described it: “people tend to flock together with their own” WP4NOO1

Integration of migrants into the local community in our case regions is according to our informants not yet achieved. The migrants we spoke to described the local inhabitants as polite and friendly, but hard to get close to: “they are easy to talk to, but hard to get to know” WP4NOH25

According to our informants, people are positive to migrants and integration, but do not want to play an active part in integration themselves:

“People in our community are really for the idea of accepting refugees, but when it comes to getting involved, taking an active role in integrating refugees, bringing them along to things, and taking them into their social circle, then it is suddenly not so okay anymore”. WP4NOH08

Businesses that are owned by migrant entrepreneurs or that employ migrants play a role in this regard. Creating everyday arenas where migrants and the majority population can interact, get to know each other, and build relationships, which has been found to reduce intergroup prejudice (Pettigrew & Tropp, 2006). Informants working in the service industry reported that they felt that
because they live in a small community and work in the service industry, it is easier to connect with people and become integrated into the local community:

“In small communities, it means that everyone knows who you are.” WP4NOO6

Social enterprises that have migrant volunteers or employees, or organize events (i.e. language cafes, culture nights) where migrants and locals meet, have a similar function in the local community. Creating social arenas for people to meet and interact, which, according to the organizations themselves foster inclusion and mutual understanding, combat stereotypes, and contribute to change people’s attitudes. As one informant explained:

“Seeing others as a resource – they are not as scary as they might think, it’s about getting to know each other. So social arenas where you can mix different groups are very important. That’s when the barriers start to fall down”. WP4NOH17

This appears to be particularly important in small rural societies, where existing social bonds are tight, and it can be difficult for newcomers to be included in the local community.

“Many people are afraid of what they don’t know, so that they get to know each other, which I think is good for both sides. They might start greeting each other when they meet in the store, it establishes some contact, which is not easy here in our village.” WP4NOH15

Having migrants in the local community that has taken the leap and start their own business are described by the informants as contributing to combat negative stereotypes about migrants being lazy and unwilling to work.

“I think it is very positive that it is immigrants who run the shop. That Norwegians and others see that there are immigrants that are working, which I think can influence the local community”. WP4NOH20.

The same positive effect is also described brought up in relation to migrant employees:
“It is positive to show outwards that you can actually employ the refugees and immigrants that move here. I think that’s pretty nice.” WP4NOH18

This is also brought up by one of the interviewed entrepreneurs who explained that by hiring immigrants they can show the local community that they as an employer contribute to integration, which they perceive to be a valued ideal in the local community.

“I think people are very positive to the fact that we are contributing... Integration is very important in Norway” WP4NOH27

CREATING SOCIAL ARENAS AND MEETING PLACES

In the small rural communities included in this study, the total number of migrants was rather small, which seemed to bring migrants from different nationalities together. Rather than congregating into nationality-based communities, (i.e. a Syrian, Somali, or Palestinian community), the local migrants formed larger communities across nationalities.

“In a way, it is not a Syrian community, it is more like an Arabic community. So there are some from Palestine, some from Somalia – even though they might not be Arabic, but it is the same culture...in a way.” WP4NOH21

We found that the local shops and cafés owned by migrant entrepreneurs seem to function as a meeting place in this regard. Representing a social arena where people from different nationalities come together, meet, and develop bonds. Migrant entrepreneurs also played an important role in creating social arenas also for the wider community, as all the restaurants and cafes in one of our two case regions were, without exception, owned and run by migrant entrepreneurs. Migrants thus play an essential role in creating social arenas for the local community.
CONCLUSION

Previous studies have shown that immigrants show a consistently higher propensity to enter into self-employment than natives, and self-employment is often described seen as an alternative route to employment for those struggling to enter the labour market (Kræn et al., 2009; Malki et al., 2020). However, as the majority of the migrant entrepreneurs we spoke to had established their business without any financial support from the government, prior employment had been a prerequisite for their capacity to start their own company. Since they had been dependent on a steady income to be able to save up the necessary funds to get a start-up loan from the bank. Rather than seeing entrepreneurship as a means of entering the labour market, several informants reported having left wage employment to become entrepreneurs (WP4NOH25, WP4NOH27, WP4NOH28), which has also been found in previous studies of immigrant entrepreneurs in the USA (Achidi Ndofor & Priem, 2011). Our informants were motivated to start their own business by the opportunity to increase their income, create something of one’s own and secure a higher standard of living for themselves and their families.

Among the policy-related factors that were found to facilitate migrant entrepreneurship, the availability of entrepreneurial courses was identified as central. Entrepreneurial courses adapted specifically to immigrants offered in different languages seems to be especially valuable in this regard, as lack of information about how to go about starting a business and the requirements that need to be fulfilled was described by our informants as one of the largest hindrances to becoming an entrepreneur. Making information more available and offering entrepreneur/innovation courses to migrants can thus be an important step in facilitating entrepreneurship among migrants in rural areas.

“In Syria, it was much easier than here, since I knew the rules, the language and I knew people.” WP4NOH28
“The main thing is information. We lack information, so we don’t know where to start. What do we need to have in place? It’s not just money, it is first and foremost information.” WP4NOH21

Support from the government in the form of information and courses is described by the informants as being much more important than financial support, as they were able to secure the necessary financial backing for their enterprise through a combination of personal funds and bank loans. Being a part of a small rural community was important in this regard, as one of the informants (WP4NOH28) explained that it had been easier for him to get a loan because the bank knew who he was, and he had gained a reputation for being a hard worker.

These findings align with findings from a previously conducted evaluation of the entrepreneurial support offered in Innlandet county (Andersen et al, 2019). The evaluation showed that migrants are highly interested in entrepreneurial courses specifically adapted to them and that they consider financial support to be of secondary importance compared to support in the form of information and counselling related to establishing a business. The evaluation also showed that the entrepreneurial support offered in Innlandet is fragmented, requires better coordination, and needs to be more adapted to the target audience.

The feeling of being part of the community and feeling connected to the area was an important reason why the interviewed entrepreneurs had chosen to establish their business in the case region. This was also decisive for why they did not want to move their business elsewhere, despite potential growth opportunities in other regions.

“Many customers have asked me if I would consider starting something in one of the skiing resorts closer to the big city, because the customer base there is bigger. I have thought about it a little bit, but it is hard, because this is where I feel at home. I am a local, I feel like a local. I have been in Norway for more than 15 years and I have never lived anywhere else but here. I care about the local community and I don’t want to move.” WP4NOH25

Integration of migrants into the local community can thus be important to facilitate innovation and entrepreneurship among migrants in rural areas. According to the informants, having migrant entrepreneurs in the community can also have important ripple effects – inspiring fellow migrants to go down the same path and create their own source of employment.
One important policy-related factor that was identified as a barrier to migrant innovation and entrepreneurship is the strict requirements imposed by the government when it comes to formalized competencies. In many industries, formalized competencies in the form of diplomas, licenses, and certificates are required. Several informants expressed frustration in this regard, as they felt that they possessed the necessary skills and competencies to execute the job but lacked the formalized competencies. Gaining such formalized competencies can be both an expensive and time-consuming process and can cause delays in the individual migrant’s entrepreneurial process. Policies that facilitate the formalization of existing skills and knowledge can play an important role in lowering the barriers for migrants to start their own businesses. Such policies can potentially also contribute to innovation in established companies, as they would enable migrants to make use of prior experience and existing skills if they were able to gain employment within their field of expertise.

Policies that foster integration and combat discrimination can also contribute to facilitating migrant entrepreneurship. One informant (WP4NOH28) expressed concern about whether his migrant background would be a hindrance to the success of his company, as he was worried that his migrant background would hinder him from attracting and maintaining customers. While this informant chose to go ahead with his business idea despite these worries, fear of negative discrimination might represent a barrier for other would-be entrepreneurs.

Our qualitative analysis of the impact and contribution of TCN immigrants in the two case regions in Innlandet county show that TCNs make several important contributions to the local community, contributing to the creation of social meeting places, fostering mutual understanding, contributing to job creation, entrepreneurship, and local innovation. There are however certain barriers that exist within the region that can hinder migrant entrepreneurship and innovation which are related to both policies, information distribution, and integration.


Barbera F., Negri N., Salento A. (2018), From individual choice to collective voice. Foundational economy, local commons and citizenship, in Rassegna Italiana di Sociologia, v.2, pp. 371-397


Dalla Torre, C., Bona, M., Tonelli, D., Gruber, M., Membretti, A. (2020): MATILDE Deliverable 1.1. – Task 1.4 – Case studies management plan version 1


INTRODUCTION, SAMPLE AND METHODS APPLIED

The selected companies (Table 1) belong to some of the region’s most important economic sectors as well as act as one of its economic engines, as they have a direct impact on the community. These companies that provide essential services and enable our societies to function, this having been conceptualized as a foundational economy (Barbera et al., 2018). The ‘foundational economy’ encompasses those goods and services, together with the economic and social relationships that underpin them, that provide the everyday infrastructure of civilized life (Barbera & Jones, 2020). The companies comprise a wide range of the region’s significant organizations, both in terms of their economic size and volume of workers, as well as in terms of the activity in which they engage.

Some of the companies analysed are engaged in the fruit-growing business; they represent a high volume of income in Aragón and generate high levels of employment, especially during the harvesting season (months from April to September) (CC.OO., 2015 - trade union). A significant part of these companies’ workforce consists in non-EU foreign workers (TCNs). That is why we have selected four of the sector's companies, which are also representative of a highly diversified economic reality: the first two are two small, family-run businesses that have few pay-rolled staff in winter (2/3 people) but which in summer take on far more staff (20-30), mainly TCNs. The third company is a fruit cooperative that was set up by a consortium of small owners who joined forces and share expenses to obtain collective benefits; this type of business is very common in the region within the agricultural sector. Finally, we selected a larger company that employs 500-plus workers, mostly of non-EU origin, during the summer season.

All these companies are located in the heart of the region, in the river Ebro valley, on land suitable for fruit growing; fertile land, located on river terraces with irrigation water available.
To obtain a multilevel approach, we also conducted interviews with some fruit workers, who, as mentioned above, represent a high percentage of the immigrant collective in the region - at least during part of the year: April to September. What matters about this group is the social impact they cause upon arriving, fundamentally associated with the lack of housing and the difficulty of finding decent living conditions. It should be remembered that one of the problems of rural areas in Aragón is the availability of housing, as pointed out by the immigrants interviewed.

The second group of companies has been selected from the livestock sector. Companies in this sector cover the most basic human need: food. In addition, they have a great socio-economic and landscape impact on the region, and the EU regards farmers and livestock breeders as agents that maintain the rural landscape. Livestock farming has been - and continues to be - one of the main economic activities in these rural and mountain areas. In this case, they engage in different activities within the chain, ranging from breeding - production - to the final consumer.

In the breeding and production segment, we selected a pig breeding company that employs more than 30 people and with a workforce comprising approximately 50%-50% Spanish-TCN workers. This organization forms part of an integrator, represents current economic trends and is an example of vertical integration. We also interviewed an entrepreneur (TCN) who lives in a mountainous area of the Pyrenees and offers his services as a veterinarian to other livestock farmers, as well as being the owner of a sheep farm.

Continuing with the food chain, we also selected an animal slaughterhouse, which is a large, highly productive company with an annual turnover of more than €300 million and more than 700 direct employees (province of Huesca).

In addition to these basic activities that aim to meet the population's food needs, the "foundational economy" is deemed to include other activities such as waste management, water, gas and electricity supply, etc. To ensure this public sector was represented, we selected a waste management company that is large by Spanish and regional company standards. This company handles waste collection in many regions of the province of Huesca and also handles street cleaning in some important towns such as Huesca (provincial capital) and Jaca (in the Pyrenees). The company employs almost 200 people, TCNs account for 10% of its workforce and it operates throughout the province of Huesca (NUT-3), so it has a great impact on rural and mountain areas.
Small commerce is the economic activity where the foreign TCN population’s entrepreneurship has been most noticeable. In this regard, many immigrants who have chosen this line of work have opened small businesses providing face-to-face service to customers, and call shops are a good example of this. These businesses are mainly used for international money transfers, which is why most of them are run by immigrants and most of their customers are immigrants too. Therefore, we interviewed the owner of a business of this kind.

Finally, we interviewed the owner of a clothes shop and the owner of a hairdressing business, both of whom use a different commercial strategy to the one adopted by the local population; in both cases, by opening the business, they now offer the community a new type of service.

Altogether, staff from a total of 10 businesses were interviewed and selected on the basis of two criteria:
- Firstly, in line with the reality of the region’s economic fabric, and also according to their territorial, social and economic importance.
- Secondly, focusing on the sectors and economic activities in which the immigrant community (TCNs) play a significant role.

Furthermore, no social economy enterprises have been found in the region, although the role played by third sector entities in urban areas is significant. Most of these businesses are to be found in urban areas of the region (provincial capitals and, to a lesser extent, in county capitals), yet they play an important role in the integration and empowerment of vulnerable migrants living in rural areas.

Without having all the characteristics of WISEs (Work Integration Social Enterprises) (Nyssens & Defourny, 2013), the employment initiatives underway in third sector entities can meet immigrants’ material needs and help to meet other social needs such as integration, self-fulfillment and empowerment in host societies (e.g. CÁRITAS’ second-hand clothes store, and the White Cross’ activities).
Table 1. Characteristics of the stakeholders

<table>
<thead>
<tr>
<th>ID Study Code</th>
<th>Gender</th>
<th>Nationality</th>
<th>Affiliation and or role</th>
<th>Working position</th>
<th>Stakeholder type</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP4ES001</td>
<td>Male</td>
<td>Spanish</td>
<td>Union of farmers and ranchers of Aragón / Farmer of (Agriculture)</td>
<td>Owner/Representative</td>
<td>Private businesses/Trade and labour unions and organized representative groups</td>
</tr>
<tr>
<td>WP4ES002</td>
<td>Male</td>
<td>Spanish</td>
<td>Owner of fruit farm/Farmer of fruit (Agriculture)</td>
<td>Owner</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES003</td>
<td>Female</td>
<td>Spanish</td>
<td>Cherry’s cultivation and distribution company (Agriculture industries)</td>
<td>Responsible for production management</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES004</td>
<td>Female</td>
<td>Chilean</td>
<td>Cherry’s cultivation and distribution company (Agriculture industries)</td>
<td>Technical Specialist</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES005</td>
<td>Male</td>
<td>Chilean</td>
<td>Cherry’s cultivation and distribution company (Agriculture industries)</td>
<td>Technical Specialist</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES006</td>
<td>Male</td>
<td>Venezuelan</td>
<td>Cherry’s cultivation and distribution company (Agriculture industries)</td>
<td>Technical Specialist</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES007</td>
<td>Female</td>
<td>Spanish</td>
<td>Waste management company</td>
<td>HR Manager</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES008</td>
<td>Male</td>
<td>Spanish</td>
<td>Pig farm (Agriculture)</td>
<td>Manager and owner</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES009</td>
<td>Male</td>
<td>Bulgarian</td>
<td>Pig farm (Agriculture)</td>
<td>Section Sub-manager</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES010</td>
<td>Male</td>
<td>Bulgarian</td>
<td>Pig farm (Agriculture)</td>
<td>Section Sub-manager</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES011</td>
<td>Male</td>
<td>Malian</td>
<td>Waste management company</td>
<td>Driver/Mechanic</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES012</td>
<td>Male</td>
<td>Venezuelan</td>
<td>Waste management company</td>
<td>Mechanic</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES013</td>
<td>Male</td>
<td>Spanish</td>
<td>Sheep Cooperative for breeding and marketing (Animal and food industries)</td>
<td>Director of Human Resource and CSR</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES014</td>
<td>Male</td>
<td>Spanish</td>
<td>Veterinarian and rancher</td>
<td>Owner/Entrepreneur</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES015</td>
<td>Male</td>
<td>Chinese</td>
<td>Fashion Store</td>
<td>Owner/Entrepreneur</td>
<td>Private businesses</td>
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<tr>
<td>WP4ES016</td>
<td>Male</td>
<td>Spanish</td>
<td>Slaughter and sale of meat company (Food industries)</td>
<td>Director of Human Resource and Innovation</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES017</td>
<td>Male</td>
<td>Spanish</td>
<td>Slaughter and sale of meat company (Food industries)</td>
<td>Sub-manager of the cutting production chain</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES018</td>
<td>Male</td>
<td>Malian</td>
<td>Slaughter and sale of meat company (Food industries)</td>
<td>Manual worker in the cutting production chain</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES019</td>
<td>Male</td>
<td>Spanish</td>
<td>Slaughter and sale of meat company (Food industries)</td>
<td>Human Resources Technician</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES020</td>
<td>Male</td>
<td>Gambian</td>
<td>Farm of fruit (Agriculture)</td>
<td>Manual worker</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES021</td>
<td>Male</td>
<td>Moroccan</td>
<td>Barber Shop</td>
<td>Owner/Entrepreneur</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES022</td>
<td>Male</td>
<td>Pakistan</td>
<td>Call shop and bazaar</td>
<td>Owner/Entrepreneur</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES023</td>
<td>Female</td>
<td>Venezuelan</td>
<td>Retail trade</td>
<td>Cashier</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES024</td>
<td>Male</td>
<td>Spanish</td>
<td>Cooperative of fruits (Agriculture)</td>
<td>Vice President</td>
<td>Private businesses</td>
</tr>
<tr>
<td>WP4ES025</td>
<td>Male</td>
<td>Malian</td>
<td>Cooperative of fruits (Agriculture)</td>
<td>Manual worker</td>
<td>Private businesses</td>
</tr>
</tbody>
</table>

METHODS AND ETHICS ASPECTS RELATED WITH THE INTERVIEWS

The information from the interviewees (both head of companies and employees) has been taken and treated very carefully keeping the ethic consents.

In all cases before conducting the interviews, interviewees received the list of questions to allow them to prepare and arrange the interview. Of the 25 interviews, 19 were conducted face-to-face, and 6 online/virtually due to the pandemic situation. Similarly, before interviewing the
employees, they had the permission of the company, who always allowed the employees to be interviewed by the research team.

Exceptionally, entrepreneurs and/or company managers supervise, control and facilitate us the names of the workers who participate in the interviews. Firstly, this already supposes a bias, because they are people who speak Spanish quite correctly, people who know how to express themselves and give a positive image of the company. In addition, those in charge choose the workers who are most in line with the organizational approaches of the company.

From an ethical point of view, it is interesting to point out that, occasionally, employers wanted to be physically during the interview that we carried out with the workers-TCNs. In those few cases, the version given by the worker (TCN) about the company is quite good and positive, and he rarely criticizes the company's approaches or its management. However, there have been a couple of cases in which in addition to conducting the interview with the immigrant in front of his boss (his/her employer), after, we have spoken with that same worker outside the company (being alone); then, the version given by them about the job and the company is slightly different. Therefore, it is important to create an environment of freedom and trust in the worker so that he does not feel restricted and can express himself freely.

Before the interviews, all the companies had the ‘Consent Form for research participants’ and the ‘MATILDE participant information sheet’. With these documents, they were informed about the purpose of the MATILDE project, about the treatment of the collected information and about how this information will be used and stored.

The interviews were recorded with the interviewees’ consent, and the interviewers took notes to draft a preliminary summary of the interviews. The questions were asked as in the script, although the interviews spontaneously touched on other related subjects. Moreover, researchers always offered the possibility of interrupting the recording if they wished to make any remarks off the record, guaranteeing their anonymity throughout the process. The interviews lasted on average about 40 minutes.
THE CONTEXT ON MATILDE REGION: ARAGÓN

The presence of foreign immigrants in rural areas in Spain is important, although their numbers are bigger in urban areas, according to data from the Municipal Register of Inhabitants for 2019. Among all the foreigners, only 3.1 per cent reside in municipalities with less than 1,000 inhabitants, 17.2 per cent in municipalities between 1,000 and 10,000 inhabitants, 26.7 per cent in those between 10,000 and 50,000 inhabitants, and 40 per cent reside in the largest (> 100,000 inhabitants). However, 6.1 per cent of the population in municipalities with less than 1,000 inhabitants is of foreign nationality, 11.4 per cent of those living in municipalities with more than 100,000 inhabitants, while 12.5 per cent correspond to municipalities with population between 50,001 and 100,000 inhabitants.

Since the mid-1990s, Aragón has been an attractive region for immigrants. In 2020, 12.2 per cent of the population in Aragón have the nationality of another country and almost 14.7 per cent is born in another country. Among those of the last group, 58.9 per cent belong to countries outside the EU (TCNs), representing 7.2 per cent of the population residing in the region (Municipal Register of Inhabitants, INE). Currently, this group is made up mainly of people of the following nationalities: Morocco, Colombia, Ecuador, other non-EU European countries (EU-28) and Venezuela. Similarly, the percentage of foreigners TCNs over the total population of each of the three provinces of the region shows very similar data: 7.4 per cent Zaragoza, 6.9 per cent Huesca and 5.9 per cent Teruel. These figures indicate that the absorption capacity of the foreign population –in particular, TCNs– is homogeneous throughout the territory; also, a similar proportional relationship between natives and foreigners is maintained in the three provinces.

The regional population density (Aragón) was 28.2 inhabitants/km² in 2017, which is one of the lowest in the EU. It is the fourth Spanish region with the lowest density and the first if the most populated city is not considered: Zaragoza, which accounts for over 50% of the regional population. According to the Economic and Social Council of Aragón report (CESA, 2019), some 86 municipalities with fewer than 100 inhabitants in Aragón have already entered what is called a “demographically terminal” cycle. It is a situation that not only affects the smaller municipalities, but 184 (25.2%), some even with more than 1,000 inhabitants.

From the economic point of view, Aragón stands out as a region with a high Regional GDP per capita; the Regional GDP per capita in Aragón was 31,900€ in 2017, which is higher than the
Spanish average (27,600€) and the MATILDE regions average (29,624€). Maybe this is one of the factors that justify the higher proportion of TCNs immigrants in Aragón compared to the whole of Spain.

Considering the added value by economic sectors, there are also differences between Aragón and the other MATILDE regions. In Aragón, the add value of primary sector is higher than the MATILDE regions average, due to the presence of the agri-food sector and the importance of irrigated crops that increase the added value of productions (e.g. in the Valley of the Ebro river). The economy of Aragón is also characterized by the development of advances services, being one example the Logistics Platform (called ‘Plaza’, and located in Zaragoza).

Compared to 2008, in Aragón, the employment rate of TCNs, today, is noticeable lower (56.7 per cent) than the one of the total population (67.9%). The rate of TCNs, which was even higher than the one of the total population in 2008 (70.2% compared to 69.9%), especially dropped in the aftermath of the economic crisis in 2008 and did not pick up yet.

Unemployment is the main weakness of the Spanish economy, although unemployment in Aragón tends to be lower than in the whole of Spain: unemployment was 17.2% in 2017 in Spain, which are higher than in the average MATILDE regions. Whilst the unemployment rate in Aragón followed the nationwide developments from 2008 to 2018, the unemployment rate of TCNs in Aragón was and is much higher than the one of the total population. It tripled during the economic and structural crisis and is still higher than the pre-crisis level today (23.3%, 2018). In rural areas in Spain, the unemployment rate of the total population corresponds to the nationwide share in 2018 (15.3% to 15.4%).

If we compare employment patterns in the whole of Spain and only in rural areas, the presence of part-time employment is lower in rural areas of Spain, and also among TCNs immigrants (table 12). We can see the same pattern for self-employment, which is always lower among TCNs immigrants, and particularly in rural areas. On the contrary, temporary employment is higher among TCNs than for the total of Spain, and also higher in rural areas. So, these figures show the important job instability among TCNs, and particularly in rural areas.
MIGRANTS, SOCIAL ENTERPRISES AND COMPANIES: ORGANISATIONAL/BUSINESS CHANGE AND INNOVATION

The main idea to be conveyed is that the majority of company managers and respondents consider that there have been no major organizational changes in companies as a result of immigrants’ presence. However, if one looks at the subject more closely, several aspects can be appreciated.

ACCESS TO EMPLOYMENT AND WAGE CONDITIONS

Research into the foreign population’s wage patterns confirm the differences in the wage structures of the native and immigrant populations in the Spanish labour market. In general, the wages of immigrants from non-developed countries are lower, but this is determined by the sector and type of occupation (Simón et al., 2007; Nicodemos & Ramos, 2012). As for immigrant women, despite the larger wage gap with respect to men, it is difficult to explain it solely on the basis of the ”foreigner” and ”woman” variables (Simón & Murillo, 2014; Simón et al., 2008; Antón et al., 2012):

“The day you don’t work, you don’t get paid. The day it rains, you don’t get paid either. If it’s a public holiday, they don’t pay anything [...]; there are no holidays, no severance pay or anything [...]. For example, if we finish picking fruit, the contract is changed from picking fruit to pruning. When you finish pruning, the contract is changed to clearing and picking fruit. That’s how they’re making a profit...”. (WP4ES020; fruit company, employee).

Furthermore, the fieldwork has clearly shown that the jobs that foreigners, particularly from Latin American countries, are doing do not match their levels of education and training, and this contributes to the ethnic segmentation of the labour market (Ramos et al., 2014). In particular, this is very visible among foreign women whose entry on the job market is limited to certain occupations, and who end up working in occupations other than the ones they had before migrating (example of Venezuelan women).

There is a very close relationship between starting human capital and the possibilities of increasing it, and thus improving wage conditions. Yet, in general, there do not seem to be any
educational or training-based differences between foreigners and natives; consequently, nor have there been any training-based significant changes in companies due to the arrival of immigrants:

“No, no, there are no differences in training between natives and foreigners, except for technicians. The rest is basic training [...] a forklift driving course, or a working-at-heights training course, or a course on... Normally, we train them here”.
(WP4ES008; Pig farm company, Manager and owner).

In the interviews, foreigners are said to take up jobs under the same conditions as native workers, so there has been no change in worker management, nor in other production management or customer-related aspects. However, further on in the interviews, flexible hiring and remuneration policies aimed at both worker loyalty and maintaining production personnel costs were seen to have been developed.

From the beginning of the contracts and in medium / big businesses, the wages for these workers are similar to the native workers, and differences are only based on responsibilities and type of job: if a native has more responsibility, he will earn more money, but also is he / she is immigrant. In addition, when foreign workers gain experience, they can reach a better position (and earns) inside the enterprise, regardless of whether you are native or foreign. In fact, most of the workers and employers interviewed said that there are no differences between natives and foreigners when it comes to setting wages. Perhaps this can be explained by the fact that most of the workers interviewed had been working for years with the same employer.

“We pay the same, whether (the worker) is from Africa, Russia, Spain... whether he is young or old... But if there’s someone who’s been with us for a few years, we have to take it into account and, as the years go by, we raise his pay [...] And also, if there’s someone who... I say to him: look, I’m in charge of the field, but you look after the harvest and make sure that everything run smoothly, that this guy knows what he's doing, and that that other one... I’ll pay that one more afterwards. What we stipulated, and that’s it. Then, in the warehouse, if there is someone who’s a fast learner, then I’ll raise his wages too. We talk to them and tell them that we’re going to pay them a bit more. But it’s for what it takes, not because that person’s white, or black... or a woman, or because...”.
(WP4ES002; Fruit farm company, owner).
Farm work is normally done by a type of worker known as “seasonal worker”. These seasonal workers are labourers who leave their place of residence to move to another place in order to find work before returning to their place of origin or travelling to another area where similar work is available (Pedreño, 1998). Nowadays, seasonal workers are mostly migrants because national workers have gradually left farm work. This is the consequence of not only better education and better job offers in other sectors, but also of foreigners’ vulnerability that makes such hard-working and badly paid jobs appealing (Basok & López-Sala, 2016).

In the farming sector, demand has to be met with foreign workers because the work is so hard, it calls for low-skilled workers and because the contracts are temporary; but presumably also due to the low salaries, which is why the local population are unlikely to want the jobs (Morén-Alegret & Wladyka, 2020; Checa et al., 2018). In times of economic growth, it seems evident that foreign workers are hired more on a complementary basis and there is practically no competition with the native labour force; however, the crisis increases the competition for low-skilled, low salaried jobs (Jodar et al., 2014).

The maximization of labour exploitation as a business strategy studied in the distribution sector (Guamán & Lorente, 2015) is also to be detected in meat industry companies. In the meat industry one finds a combination of mainly immigrant staffing strategies, usually with very low wages, with very little trade union presence and the use of temporary employment agencies to avoid or postpone open-ended contracts; however, outsourcing techniques are not used.

“No, there are no freelancers. Look, the sequence is that they come to us from temping agencies, and stay for a year via temping agencies: several contracts, 3 or 6 months long… until they have been working for a year. And then, after a year, they join the company. In other words, you’re working through a temping agency, here, for a year and then you are hired by the company”. (WP4ES019; Slaughterhouse company and meat sale company -Food industries-; Human Resources, Technician).

Maximising labour exploitation, internationalization and globalization of businesses have also entailed a major transformation of the farming sector in relation to the size of farms. According to farming employers themselves, the fact that farms have increased in size has been conditioned by several aspects: the first has been the need to amortise the money invested in machinery, which is increasingly more precise, but also more expensive. When this is not possible
due to the farm's size and profit margins, the farmers tend to rent machinery from specialised companies or larger farms. As farms become larger, many of these companies cease to be family-run, and therefore need to hire salaried workers to guarantee the best output. Aragón is a clear example of how the farming sector has been polarised: large global corporations versus small farmers; in other words, concentration versus atomization, which also implies that small farmers become more vulnerable (Rye & Scott, 2021). This explains why, in the most farming regions, the industrialization of the countryside and the development and maintenance of the agricultural sector are conditioned by immigrant labour. This phenomenon has been called the "southern model of agricultural exploitation" (Checa et al., 2018).

The slaughterhouse and meat processing sector has also experienced notable growth in Aragón. This is due both to overseas demand for the product and the internationalization of its sales, and to the availability of foreign workers due to the lack of local workers for these manual jobs. However, as they are large companies with high levels of trade unionism, this prevents wage differences between natives and foreigners (trade union rights). This factor could condition the development of new strategies for immigrant to join the job market. Far from being established in line with a traditional model dominated by Spaniard-foreigner complementarity, it is moving towards an emerging model in which workers are recruited according to different patterns of competition, substitution and complementarity (Hernández & López, 2015; Dueñas et al., 2012).

These companies' jobs are highly manual, somewhat dangerous and sometimes dirty, which is why they are not filled by native workers, so there is no competition or substitution between immigrants and natives. However, there are other, quite traditional business operation aspects, such as the dynamics between older immigrants and newcomers, which favours a high staff turnover:

"We tend to have a 30% employee turnover, which is very high. These workers are here, and have been here for a certain amount of time..., but if they find another job in the city where they live, or a better paid job, they leave". (WP4ES008; Pig farm company, Manager and owner).

This emerging model is based largely on immigrant-native equality, and is found in large companies such as the one mentioned above. This model has also taken root in public companies, which have standardization policies that follow the basic principles enshrined in the legislation
enacted to foster the integration of foreign population. This implies that there is equal access and equal salaries, and the same working conditions for all, including foreigners who have their papers in order. That is why replacing local workers with foreigners is one of the main strategies by which they join the job market, and partly explains why 18% of the workers in companies such as these meat companies are of foreign origin.

Finally, and related to nationalities, there is also diversification in the type of jobs and sectors of employment. Those coming from the Maghreb and other African countries - in addition to Romanians and Bulgarians - are more represented in the agricultural and livestock sector, especially engaged in agricultural tasks (Viruela, 2013). For example, sub-Saharan Africans (from Ghana, Mali and Senegal) are usually hired for the direct collection of fruit and farm products. The population from Africa accounts for the largest number of seasonal workers, initially many who arrived and hired irregularly and with low levels of training (Ródenas, 2016).

Within the group of TCNs, Latin American men represent the other extreme. Their situation is regularized, they know the language and adapt easily to the lifestyle in rural Spain, given that there are fewer differences in the work culture. In addition, lately, they have a higher level of training and professional qualification that allows them either to choose other types of jobs in competition with the native population, or to progress in a short time towards better positions. However, this is still a theoretical position due to the difficulty they have for the recognition of their degrees, producing a polarization regarding the recognition of their competences (Arnot et al, 2013; Souto-Otero & Villalba-García, 2015).

DIVERSITY MANAGEMENT

Managing cultural, ethnic and gender diversity is becoming one of the main components of corporate culture. In 2011, the Ministry of Labour and Immigration launched the GESDI project on "diversity management"; then, in 2013, it launched the GESDIMEP project on Diversity Management in Small and Medium-sized Enterprises, which mainly aims to enhance equal treatment and diversity management in the job market, reinforcing the integration of immigrants and ethnic minorities in companies and professional environments (Gottardello, 2016). For
practical purposes, diversity management plans aim to improve work organization, working time management, information and training, and prevent conflicts and discrimination.

In addition to diversity management plans, larger companies devise a workplace induction and adaptation course, which introduces the employee to the company's culture. It also enhances the integration of different ethnic profiles into a common company culture by contributing to the overall management of diversity. This induction policy is deemed highly important nowadays due to the increased presence of foreign workers:

“Logically, the company’s organizational structure includes several people who are assigned to the Induction Course, and who explain everything to the new hires, train them and are their reference mentors, in case anything happens. [...] in the same way that the Spanish personnel also have a mentor and a person who is the trainer who teaches them everything they have to do”. (WP4ES016; Slaughterhouse and meat sale company -Food industries-, Director of Human Resources and Innovation).

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PROVISION OF NEW SPACES, NEW SERVICES AND JOB FLEXIBILIZATION ORIENTED TOWARDS RELIGIOUS PRACTICE

Although not directly related to foreign workers’ presence, the increase in the number of workers has prompted an increase in infrastructure: better changing rooms and showers for workers, and an increase in other additional services such as catering services or rest and eating facilities.

Yet in larger companies, there is also a tendency to provide new amenities in order to recreate the culture of origin, particularly with the so-called ‘multi-faith’ spaces, which are normally set up for Muslim people to pray. These spaces have been common in large French companies since the 1970s, and were provided to maintain social peace and ensure high productivity ratios (Kepel, 1987); however, in Spain they were not common until now:

“The company has taken into account almost every request. Because, before, there was no mosque here. In this company, there was no mosque. There was no smoking room. Now there are 4 mosques. And a smoking room. So, I think we’ve...
done everything and the company has taken it into account. Well, you can’t have everything, because sometimes some things get ugly, but... not 100%, but almost 70-80% have been settled”. (WP4ES018; Slaughterhouse and meat sale company -Food industries-, Manual worker in the cutting production chain).

In addition, the presence of people from Muslim-majority countries has helped to make working hours more flexible. This is because some employers have also allowed flexible working hours during the fasting days in the month of Ramadan; however, this is not a widespread practice, as the following human resources manager in an animal slaughterhouse points out:

“When Ramadan comes, we can’t make any exceptions, because, in the end, we have to continue our normal pace of production”. (WP4ES016; Slaughterhouse and meat sale company -Food industries-, Director of Human Resources and Innovation).

“With Ramadan, well, I remember, we started a little earlier, at 7 o’clock, we stopped at 1 o’clock and you start at... well, whenever they want: at half past three, at 4 o’clock... I make sure that everyone wears a cap. And if I ever see someone looks tired or weak, very often I tell them to take a break...”. (WP4ES002; Fruit farm company, owner)

As a result of having foreign workers on their payroll, some companies have developed other services such as transport. Sometimes the foreign population live a long distance far from where the factories are located, there is a shortage of public transport to the factories, and many foreigners - especially women - do not have a driving licence or their own vehicle. For these reasons, some companies, such as this meat company, offer a transport service for their workers and many of them use it. In contrast, local workers tend to use their own vehicles to go to work:

“But we pay for transport now. 20 cents per person, every day. They pay you 6 euros net (per hour), but they take 20 cents [...]. Before it was 6 net and now it’s 5.80. [Astonished]. And not everyone has a car. We don’t have a car and some of us do, but we don’t... And 99% don’t have a car”. (WP4ES020; Fruit company, employee).

Another company organization aspect that was seen during the fieldwork has to do with measures to combat Covid-19. In particular, many companies have set up new spaces and rooms
for workers’ changing rooms; in addition, the Covid-19 health crisis has prompted them to reorganise work shifts so workers can start and leave work at different times, and so avoid overcrowding in the spaces.

FLEXIBILIZATION OF HOLIDAY PERIODS

Normally, the companies’ collective agreements stipulate 30 calendar days’ paid leave, divided into two different periods: the company assigns workers 15 days, and workers are free to choose the other 15. Many foreign workers who live in Spain have left their families behind in their country of origin, which is why this foreign population’s presence has prompted a major change in how companies have made these regulations more flexible; they now let workers who wish to do so take all their holiday in one go, so they can travel to their places of origin:

“At negotiating with the works council, it was decided that staff who wanted to could choose between taking a fortnight and a month’s holiday. So we’ve already realised that most of the immigrants want to take a month’s holiday. Why? Because they take the opportunity to go to their country, and it is obvious that they want to go to their country. It was something they hadn’t asked for until now. And since they needed it and asked for it, we gave it to them. For 3-4 years now, people who want to take a month’s holiday have been taking a month’s holiday.” (WP4ES016; Slaughterhouse and meat sale company -Food industries-, Director of Human Resources and Innovation).

2.5. INDUSTRIAL RELATIONS: TRADE UNION REPRESENTATION OF FOREIGN WORKERS

Some studies based on the Social Security affiliation survey (CERES 2008, in Jordá et al., 2014) show that native and immigrant workers share common motivations, values and desires. In fact, companies want to have immigrant trade union representatives to be able to meet foreign workers’ needs as well, as they are an important part of the workforce. This is what the following foreign worker replied when asked whether he wanted to apply to become a workers’ representative or whether he was encouraged by the company:
“I’m actually on this company’s committee and I love it. It’s also an advantage for me. Well, there was another one before me, from Mali too. But lately, since he was a member of UGT (another union). When I came from being with this committee, people told me that they have asked many foreigners: who do you think can defend you, in this company? They said: me. I didn’t really want to be a union representative, but since people trust me, I thought: well, OK! That’s why I joined the committee”.

(WP4ES018; Slaughterhouse and meat sale company -Food industries-, Manual worker in the cutting production chain).

IMMIGRANT ENTREPRENEURSHIP

Non-EU foreigners do not always join the job market as salaried workers, and many embark on their own business projects. In particular, entrepreneurship among foreigners has been on the rise since the 2008 crisis, enabling foreigners to protect themselves against the competition they find on the general job market (Arjona & Checa, 2006). Explained by ethnic enclave theories, internal solidarity as a key element of ethnic entrepreneurship makes it easier for them to join the job market, introducing new market niches and a transnational approach (Vitores et al., 2020).

According to these authors, businesses created by immigrants are currently based on a principle of need and opportunity, and are also oriented towards the open market rather than the ethnic market. However, once foreign entrepreneurs join the ethnic market, they break away from that (ethnic) model and try to expand their market share and increase profits, so that they include new business initiatives that are both foreign and indigenous (Tomas López, 2016).

However, it should be noted that there is almost no ethnic entrepreneurship in the rural area analysed, in Aragón. It has only been found in population centres with more than 3,000-4,000 inhabitants, such as county seats and provincial capitals. Moreover, they tend to be businesses that have just been started up, aim to serve mainly the ethnic community, and are not open to the general market (so usually not frequented by natives). One example is the halal butcher’s shops found in Aragón, which mainly serve foreign consumers and not the general market.

The most successful businesses include greengrocers, restaurants and call shops. These businesses are set up with a very small investment in terms of money and infrastructure, which
allow several members of the family to be self-employed, and there are not always any differentiating elements that enable them to be characterised as ethnic businesses. According to some authors, one could speak more of self-employment strategies than of ethnic economies, given that most of the strategies developed are shared by the natives (Riesco-Sanz, 2008), despite sometimes having a large clientele.

Another type of business venture that non-EU foreigners, especially from Latin American countries, engage in is taking over catering premises (bars and restaurants), which may or may not turn into ethnic businesses. One exception are the businesses run by the Chinese population, which were originally Chinese food restaurants and, subsequently, have been turned into clothes stores and bazaars, always oriented towards the open market, but with clear ethnic business strategies.
MIGRANTS, SOCIAL ENTERPRISES AND COMPANIES: COMMUNITY AND TERRITORIAL IMPACT

One of the main problems in Aragón is the low fertility rate and the high aging of the population (Escolano, 1999). Aragón has lost indigenous population since 2014 and vegetative growth has been negative since 2017, so deaths exceed births. The low birth rate, together with the greater aging of the population, implies an increase in the social charges of the State, of the young active population and directly affects the maintenance of the welfare state. The rebound of the immigrant population is something positive to face the problems of aging and the maintenance of the welfare state, and also to the demographic sustainability. For example, 73.9% of the foreign population living in Aragón is under 45 years of age and 81.0% is of working age. In addition, the average age of the native population is 46.5 years, while that of people of foreign origin is 33.9 years (CC.OO., 2021).

"Thanks to foreign people, for example, Ricla (town) is what it is. And it has a 24-hour doctor, it has blood tests on Fridays, there are supermarkets, 10 bars... Well, that's thanks to the fact that there is movement..." (WP4ES003; Cherry’s cultivation and distribution company, responsible for production management).

To tackle socio-demographic and territorial imbalances between urban-metropolitan and coastal areas compared to rural and inland ones, immigration and repopulation initiatives in the last years are seen as a solution by politicians and associations to revive villages and towns (Camarero et al., 2012; Collantes et al., 2014). According to this, the immigrant population plays a fundamental role, because they mainly concentrate in intermediate cities between 5,000 and 10,000 inhabitants (Lardiés & del Olmo, 2021). The municipalities of this demographic size coincide with the capitals of the ‘comarcas’, where most of the foreign immigrants settle. In some of these capitals, children can make up to 20% of school students. These immigrants located in medium-size towns constitute available labour for many manual jobs, in the primary sector, industry, catering (bars and restaurants), domestic work and for caring people. In these medium towns, the interaction between the native population and immigrants is also quite good, because the entire population knows each other. However, the number of immigrants is very low in the smaller villages (<2,000 inhabitants). In addition to the shortage of housing - which is greater than in the
bigger cities and three capitals of the region -, access to services (like transport, education, health) is also more complicated.

“Actually, at the level of the area, it is a place where there is practically no housing: when people arrive, they cannot find housing in Binéfar. They are people who do not have a vehicle to get around”. (WP4ES016; Slaughterhouse and meat sale company -Food industries-, Director of Human Resources and Innovation).

This population also has a positive impact on economic activity, employment and occupations, and because they occupy jobs that the native population does not demand. However, although its many positive effects are recognized (CC.OO., 2021), there are various aspects of the labour market and employment that need to be improved.

For example, workers of foreign origin endure worse working conditions and lower wages, and they have suffered the most with the Covid-19 crisis. Temporality, part-time work and less renewal characterize the hiring of foreigners. The temporary employment rate among immigrants is 39.5% compared to the average 24.1% in Aragón, so there is a 15.4% higher temporality gap among foreigners, possibly related to their lower social mobility-labour.

Another characteristic of workers of immigrant origin is the enormous wage gap that still exists with respect to the native population. According to data from the Ministry of Finance for 2019, a worker of foreign origin charges an average € 12,039 in Aragón, compared to € 22,202 charged by a worker in the region, which is 45.7% less (CC.OO., 2021).

Considering new filiations (new contracts) made during 2020, foreign workers accounted for 32.4% of those affiliated to the agricultural sector, 44.7% of domestic workers, 14.5% of the food industry, and 16.5% of land transport (CC.OO., 2021). By economic sectors, the services sector accounted for 41.9% of the total, followed by agriculture (33.5%), industry (18.7%) and construction (5.8%). Two thirds of the contracts signed by foreigners are concentrated in the following seven economic activities:

1) "Agriculture, livestock, hunting and related services” (35.1%),

2) "Food and beverage services” (10.2%),

3) "Wholesale trade and trade intermediaries, except motor vehicles and motorcycles” (5.1%),
4) "Food industry" (4.9%),

5) "Services to buildings and gardening activities" (4.3%),

6) “Land and pipeline transportation” (2.7%), and

7) "Storage and activities related to transport” (2.5%).

According to this, the jobs they occupy are generally low-skilled. In some groups, the lack of knowledge of the Spanish language and their poor training limits job placement and leads these workers to perform low-skilled jobs. Thus, with data from the National Institute of Statistics for Spain, 30% of foreign workers had elementary occupations in 2018, and 29.3% worked in catering, personal, protection and sales services (which need not much qualification). Therefore, of the new work contracts made in 2019 to foreigners in Aragón, the majority were as agricultural workers, followed by jobs in industry, waiters and cleaning staff (CESA, 2020). In 2020, of the 145,562 new contracts made in Aragón for foreigners, 73.4% were for the province of Zaragoza, followed by Huesca (20.7%) and for the province of Teruel (5.9%); this gives an idea of the greater weight of foreign workers in urban areas, compared to rural ones.

An example of low-skilled employment in rural areas is that of sub-Saharan Africans settled in the comarca of ‘La Litera’ (Nort East of the province of Huesca). These immigrants come from a context of rural African origin and entered the “secondary” labour market in a segmented labour structure (Ródenas, 2016). However, they have subsequently entered the industry (animal slaughterhouses, cleaning ...) with jobs as industrial workers, unskilled, but relatively stable, which has allowed them to survive the economic crises and the pandemic Covid-19. It is an industry that before had no manpower to hire. They have gone from being agricultural seasonal workers to being wage earners in industries, more or less stable, and have a certain legal balance. They are also settled in the city, they have regrouped their women and their families, they have generated a demographic impact, and women have had the opportunity of getting employment, as a consequence of emigration.

Most of the foreign workers work as wage earners, although there are also entrepreneurs, generally in restaurant businesses (bars and restaurants, where there is a lot of Latin American), or small businesses (Chinese). A characteristic of foreign entrepreneurship is the development of family businesses, with long hours, specialization in products or urban location (Moreras, 1999).
Most of these businesses are located in the service sector, and normally cover market niches, so their impact on the economic development of the region is residual. That is to say, these businesses can be classified as ‘non-productive firms or unproductive’ (Baumol, 1990) since they are created more as “supplemental income”, or as mentioned above, as a means of survival; they also generate a greater socio-labour impact than financial, so the participation of immigrants in the local economy is currently insignificant. This fact is especially relevant in rural areas, where the shortage of labour supply pushes to develop this type of business.

Despite the fact that many of the entrepreneurial initiatives of migrants take place in the field of micro-enterprises and in commerce, other types of entrepreneurial activities are becoming more common. According to the OPI (Permanent Immigration Observatory) you can find home service companies, transport, cleaning companies, etc., that offer services traditionally not available in rural areas. In this sense, the entrepreneurial spirit of immigrants has contributed to uniting lifestyles among the inhabitants of cities and towns, having access to services that were not previously offered in these areas.

The changes in companies due to the immigrant presence is contributing to a better understanding between natives and foreigners. Training in company culture encourages the development of integration mechanisms that are presumably exported to the daily life of the town, improving social cohesion:

“There are many problems, which are cultural issues, language issues, integration issues… Okay? And we have to work on this internally; logically, to integrate them, to work on them, to give them language classes, to give them integration classes… […]. But they are subjects that, of course, in the end, is to seek the balance between everything. And what we do is work, well, both with the people of the country and with people from outside”. (WP4ES016; Slaughterhouse and meat sale company -Food industries-, Director of Human Resources and Innovation).

However, it has already been indicated that there is a general idea that the recruitment of immigrant population is beneficial for society as a whole, and in particular for rural society.
CONCLUSION

As it has happened in other Western European countries of recent immigration, diversification in productive structures has generated low-status employment in various sectors (Kasimis & Papadopoulos, 2005). In Aragón, during the years prior to the economic crisis between 2008-2014, the existence of a dual labour market in the agricultural industry was reinforced with the supply in the construction sector; furthermore, the domestic service sector and especially care sector, has been very important as employment niches for foreigners.

Non-community migrants stand out in the agricultural and livestock sector, in which men mostly occupy direct positions in the countryside, while women tend to be more present in fruit warehouses. Men are also more present on farms and in the meat industry; likewise, exclusively male jobs are those related to herding. On the contrary, the cleaning staff, domestic workers and those dedicated to the personal care sector are mostly women. However, due to the increase of male population living alone in rural areas, there is an incipient demand for male caregivers, preferably Latin American and from Romania (people from Romania learn and speak the Spanish language very soon).

The wide offer in the agricultural sector is conditioned by several factors. Firstly, because the native labour force has moved to other sectors with better working conditions -like industrial sector and services-, so it is difficult to find national workers for manual and low-skilled jobs in the countryside. Secondly, because the size of the agricultural companies has increased, which is due to the fact that investment in agricultural machinery is more profitable in large areas of land. Thirdly, due to the changes in the lifestyles of the population: picking fruit in the most intense months was a family activity some decades ago, and young national students were added to this, taking advantage of the summer to obtain extra money, although all this has changed.

Actually, the agricultural sector seeks low-skilled workers for manual jobs in harsh conditions and high turnover, which has contributed to generating de facto “fixed discontinuous” workforces. Many times, from one year to the next, workers already known in previous years are used and contacted again (personal relationships between employer and employee) who, from season to season, trust each other to repeat their contractual relationship.
The autochthonous population, despite high unemployment rates, generally does not come to meet the demand of the agricultural sector. A common statement from unions and employers is the important role that these workers have played in the farm industry, and in general in the agri-food sector; furthermore, its role has become even more evident throughout Europe during this pandemic period (Brovia & Piro, 2021).

In short, foreign workers occupy low-skilled, low-skilled, low-paid, more temporary and unstable jobs, such as in the agricultural sector. The situation of foreigners limits the rights and freedoms of seasonal workers, and this makes, to a large extent, immigrants attractive for agricultural hiring.

Regarding the operation of the companies, no organizational changes have been detected as a result of the presence of foreign workers, because the employers try to integrate them as if they were natives, although taking into account their particularities and influences of their culture/religion. Among the benefits of their work, it stands out that they are flexible people, sometimes more motivated than natives, and since they want to earn money, they do not object to working the necessary hours. In addition, in large and public companies, there are clear principles of equality and even representation of immigrants in unions.

Specifically, in the agricultural sector, due to the hiring of personnel from non-EU countries, there is a progressive wage assimilation model that depends on variables such as time in the labour market and initial training of workers. As workers gain the trust of their employers, wages become similar to those of national workers. Second, there is also a marked innovation in the management of diversity, especially cultural diversity. And third, there is an increase in ethnic businesses, but whose current model in the region has a greater socio-labour impact than economic.

In general, there are positive elements that indicate they are benefits of employing foreign workers and the process toward labour integration. The fieldwork carried out and the contact maintained with the social and economic stakeholders have made it possible to verify the important socio-economic role of this colectivity. Egalitarian practices have been seen between natives and foreigners, and that coexistence does not generate outstanding problems, although there is not much interaction between both groups. For all this, the assessment that Spanish society makes of immigration is positive, compared to other European countries. The opinion of
Spaniards regarding immigration is quite positive and has remained that way in recent years, despite the slight growth of negative opinions (Méndez et al., 2014).

However, the statistical data highlight the inequality of wages, income, high unemployment -eg., almost a third of the unemployed in Aragón are foreigners-, job insecurity, segmentation of the labour market; There is also talk of labour abuses, due to the fact of being a foreign population. To change this situation, some normative and legislative changes would be needed, so that foreigners can develop more qualified and better paid jobs, to finish with the segmented labour market. For example, if they could validate their university degrees quicker, since now there is a certain reluctance to validate degrees from unknown and less prestigious universities. Regarding this, professional associations also show a great rejection of qualified professionals from other countries -architects, engineers -, so it is another challenge that must be considered.

Another issue more linked to territorial development but very highlighted by the interviewees is the provision of services in rural areas, together with the lack of employment, are factors that slow down the establishment of companies and this population in small villages: for example, the lack of public transport, schools, health centers, and commercial, cultural and social offerings.

But in particular, the newcomers that settle in the small villages, they think that there is little supply of houses, these houses are old, and the access to rent and property are very complicated. Depopulation does not always mean emigration, but no demographic generational change: old people die and there is no births and young people living in rural areas. This implies abandonment of the houses because there is no new demand. In general, houses are old, poorly preserved and rare. In addition, the traditional inheritance system in many rural areas of Spain -in particular in Aragón, but especially in the Pyrenees-, is that the older man in the family is who inherits all the heritage -house and fields/farms- while the rest of the brothers and/or sisters emigrate. These heirs want to keep the estate, which is their roots, what belonged to their family, and for that reason, they usually neither sell nor rent it. This factor also explains the lack of housing supply in rural areas.

To face with lack of houses, some local action groups that manage regional development funds have created exchanges and developed initiatives to expose houses, but it is not enough. The lack of accessible housing is a great concern, so local and regional administrations should bet
on increasing the supply of housing, exploring the possibilities of more investment in public housing (Instrategies & Pinyol-Jiménez, 2020).
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Dalarna county is located slightly below the centre point of Sweden, bordering to Norway. The county consists of 15 municipalities, ranging between 5,000 and 42,000 inhabitants. Two municipalities/larger cities, Falun and Borlänge, with 38,000-42,000 inhabitants each form the centre of the county.

When it comes to the share of foreign-born citizens in the county, in 2015 the share of foreign-born inhabitants in the county of Dalarna was below the national average; 11 percent of the inhabitants were foreign-born compared to a national average of 17 percent in Sweden. Within the county, there were substantial differences among municipalities. The municipalities of Borlänge, Avesta, Ludvika and Hedemora were those municipalities with the largest share of foreign-born inhabitants, between 12% and 16%, thus still below the national average. This regional pattern was strengthened by immigration to Dalarna the last five years. The municipalities of Avesta, Borlänge, Ludvika and Hedemora have received new inhabitants to the extent that the population share is exceeding both the county and national average (Region Dalarna, 2020).

The increasing number of foreign-born inhabitants, along with an increasing number of recently immigrated, goes hand in hand with an augmenting segregation on the housing market. Until recently, segregation in Sweden was mainly related to the metropolitan regions of Stockholm, Gothenburg and Malmö. In last decade, segregation on the housing market became increasingly an issue also in smaller cities and settlements (Bråmå, 2006). Even though in the Dalarna County, there is no large metropolitan region, and several of the municipalities are classified as “landsbygdskommuner”, i.e., municipalities with rural structure, a recent report from Region Dalarna (2020) show that there is ongoing segregation on the housing market in the
This report was measuring housing segregation using methods of individualized neighbourhoods (Östh 2014). Results indicate that when it comes to foreign-born, visible minorities and recently immigrated, residents belonging to these groups share to a greater extent neighbourhood with residents with same background. The same study also highlights housing segregations when it comes to income and education level. Patterns of segregations are apparent in most of the municipalities, most pronounced in the municipalities of Borlänge, Avesta and Ludvika.

International migration is of importance for the demographic balance of Dalarna County. The foreign-born population in Dalarna (as well as in Sweden as a whole) is significantly younger than the native born and has a larger proportion of people of working age (Region Dalarna 2020). Migrants could play a vital role as resources filling vacancies in the labour market, especially within health care and elderly care according to several of our interviewees (see also Stenbacka 2013). Also, the tourism sector normally offers many jobs within diverse kinds of services (the tourism sector in Dalarna involves both a winter and a summer season). The current pandemic situation with restrictions on travel and other kinds of recreational activities has severally affected the tourism sector negatively.

This report focuses on the municipalities: Vansbro with 6,801 inhabitants (of which 2,042 in the municipality centre), Älvdalen with 7,033 inhabitants (1,863 in the municipality centre) and Hedemora with 15,432 inhabitants (of which 7,371 in municipality centre).

This report is based on interviews held in March and April 2021 with employees and managers at a local level in the above-mentioned municipalities. In total, 14 interviews were conducted (see table 1 below) following a set of questions from the Matilde guidelines. With regards to the number of respondents it proved difficult particularly to access and interview employees, both natives and immigrants. Despite several e-mails and phone contacts, many individuals did not get back to us, did not answer e-mails or phone-calls, and some individuals outright refused to participate in the study. It is in this context also worth highlighting the fact that only one social enterprise took part in the research, two factories (factory X and Y).
As a result of the ongoing Covid pandemic, some of the interviews were conducted remotely, via Teams, Zoom or phone, however some of the interviews were carried out on-site. Before each interview, the respondents were provided with a one-page information sheet about the project and contact details for the involved researchers, a letter informing about their rights and how the collected material would be used, and a consent form. At the beginning of each interview, the respondents were asked to fill in the consent form and they had the opportunity to ask questions about the project and the consent form. The interviews were recorded, and the researchers took notes during the interview.

COMPANIES/WORKPLACES INVOLVED

FACTORY X

Factory X is a family-owned business, established in 1940s as a small-scale carving company. Over the years, the company evolved into today’s technologically advanced special carpentry. The company is located from 2016 in Hedemora in Södra Dalarna, about 200 km northwest of Stockholm. It specializes on tailor-made production of windows and doors compatible with older buildings, as well as stairs and entire furnishings. To its customers it offers turnkey contracts, ranging from measurements at customers’ sites, through blueprints, producing and delivery and montage. Factory X encompass the entire production chain and employs carpenters, glassworkers, painters as well as assemblers. Although Factory X has customers in entire Sweden, geographically it mainly operates in the mid-Sweden, region of Mälardalen. In 2021, it has 26 employees and yearly turnovers of 30 million SEK.

FACTORY Y

Factory Y is part of a larger Nordic consortium, with the headquarter in Malmö, and is the Nordic region’s leading player in brands and concept solutions for the grocery trade and catering. In Sweden it has sales of close to SEK 7,000 million and more than 3,000 employees. Factory Y employs approximately 160 people and produces over 10 tonnes of pizza and pies per year, for the brands Felix, Grandiosa and Anamma brands. In addition to pizza, pies are also baked here for both lunch and dinner, which are sold to restaurants and catering as well as to consumers.
STORE A

Store A is a branch of an incorporated company operating with the food- and beverages industry. The mother company is represented in majority of Swedish municipalities and employs roughly 6500 employees. Store A employs 5 employees. During the past couple of years, the store had 3 internships with migrant background, of which one individual got regular employment at another of the company’s sites afterwards.

STORE B

Grocery store B is a family business in the 4th generation that has adapted to a chain store. The store first experienced the refugees as customers during their first time in Sweden. The store has engaged three immigrants as interns and contracted two of them on time-limited employments.

SOCIAL ENTERPRISE A

The social enterprise was established in 2014 in Hedemora and is an “arbetsintegrerat socialt företag”, a social enterprise, from the start with the aim to create jobs in adapted environment for people in risk of being socially excluded. The enterprise focuses on assembling and targets mainly other businesses. Products currently being assembled are ear protectors and sealing for water taps. Since the start in 2014, at least 40 people got the opportunity to leave long-time unemployment and other types of social exclusion, out of these are 16 individuals employed by the social enterprise, the remaining 26 have continued to other employers or education. Currently, 4 migrants are employed in social enterprise A. Social enterprise A is what Gawell (2016) refers to as an integration social enterprise (WISE), which is strongly influenced by European co-operative traditions. The focus in this piece of research is on a type of social enterprise, with an emphasis on employment integration.

HEDEMORA MUNICIPALITY – DEPARTMENT OF HOME CARE

From having previously largely relied on the families, the legal responsibility for the care and nursing of the elderly, since the middle of the 20th century has been transferred to the public sector and primarily became a matter for the municipalities in Sweden. Home care is a term for a collection of initiatives that the social services grant and in which all persons aged 65+ are entitled to apply for elderly care from the municipality and is based upon an assessment by a social worker.
of the person’s needs. Home help services can potentially be offered around-the-clock in the elderly’s home. The elderly can receive assistance with tasks such as shopping, house cleaning, cooking or providing meals, laundry and health care services, as well as help with personal care such as bathing, showering, toileting, dressing or eating. Research, such as Giertz and Jönson (2018) highlights the fact that a large numbers of employees within this sectors are born outside of Sweden, and that there has been increase in employees particularly from outside of the European Union, particularly with a refugee background.
Sweden is perceived as an open country for immigration with a low threshold for entering the country and receives many refugees and their families in comparison with other countries in Europe. However, the threshold for newcomers to become independent and enter the labour market is unfortunately higher (Szulkin et al. 2013). As in many other European countries, refugees in Sweden are more likely to be unemployed or have temporary jobs and have lower incomes than native peers (Åslund, Hensvik, and Skans 2014; Bevelander 2011). Moreover, their prospects for employment are poorer in Sweden than in other refugee-receiving countries (Irastorza and Bevelander 2017) and the employment gap between immigrants and natives has recently been among the highest in OECD countries, e.g., 14.8% in 2018, according to the OECD (2018). The differences in employment rates of immigrants and natives have often been attributed to differences that disfavour immigrants on the labour market such as lack of language skills, formal education, and access to networks (Bevelander, 2011). As emphasized in Bevelander (2011:31), it also takes longer time for the immigrants to get acquainted with how the labour market works.

Education level and age on arrival are some of the factors influence upon integration on the labour market. As shown in Forslund, Liljeberg and Åslund (2017), time to establishment of immigrants is considerably shorter the higher the education level of immigrants. Along with education also the age arrival has a significant impact on the chance to get established on the labour market. However, referring to the employment gap mentioned previously, Szulkin et al. (2013) gave example of migrants who have been in Sweden longer might have fared better, still struggle with employment situation, i.e., has trouble with matching. In a study by Gustafsson, Mac Innes and Österberg (2017) almost no one of the individuals born in middle- or low-income countries who arrived in Sweden (arrival years sampled between 1990 and 2002) in the age of 50 ever got established in the Swedish labour market.

Besides lack of language skills, formal education or access to networks, Szulkin (2013) refers also to the lack of unskilled posts that might work as entrance jobs for Third Country Nationals (TCN). On the other hand, Ek (2018) for example, shows how “simpler” low paid jobs for people
without a high-school-degree may lead to a relatively quick entrance on the labour market, but do never lead to more qualified jobs or higher wage within a reasonable period after entrance, especially foreign-born are exposed to getting stuck in “simple” jobs.

From the interviews, a frequently appearing theme was the role that language proficiency of immigrants plays when it comes to their employment prospects in the companies. Issue and challenges related to language proficiency were to some extent brought up by informants representing companies and a social enterprise, as well as by TCN employees.

In some of the companies, knowledge of the Swedish language was a decisive factor to be able to get the employment in the company. For example, a manager for cleaners (WP4SW026) at a resort referred to the lack of language proficiency as one of the decisive factors once recruiting new staff among candidates with a TCN background:

“I try to tell those I say that they do not get a job, that you must go and learn Swedish. There are so many who call and complain that they do not get a job.” (WP4SW026)

This was echoed by the manager for a grocery store (WP4SW029):

Also work in a grocery store is knowledge intensive, and to be able to speak Swedish is required, we work hard with supporting our staff to improve their language skills. But, if a person hardly knows the alphabet, it is very hard to integrate them to work, when one must understand questions about allergies, etc.

A similar point was made in the interview with the HR manager (WP4SW023) of factory Y:

“It is absolutely crucial that we get the recipes right, so that we do not mix the wrong type of herbs, allergens and what have you, there are a range of issues we need to think of.”
The HR manager (WP4SW023) referred also to previous employees who failed to reach an acceptable level of the Swedish required for the job in hand. However, some of the employees – with a migrant background – had managed to do better.

When it comes to language skills, of specific interest in Swedish context is the sector of home-care workers. In this sector, a large share of employees have foreign backgrounds, many of them are TCNs. In recent years, there were several cases, when lack of Swedish has led to serious issues with staff not being able to read instructions or communicate with the individuals in their care (see for example, Kommunalarbetaren 2018).

The manager of the home-care unit at Hedemora municipality (WP4SW021) also referred to the need for language skills/knowledge amongst TCN home care workers:

“The requirement is that you should be able to speak and be able to make yourself understood in Swedish and be able to read and write Swedish, that is the main language at work. Then you can get help with understanding things, e.g. some words... we may have to explain a little extra... must be able to have a conversation... we often get criticism that staff is weak in Swedish... a difficult nut to crack - we cast everything we can... we may be able to offer those who are weak to get more support... good at reading but important to speak Swedish...” (WP4SW021)

The manager of the home-care unit (WP4SW021) contemplated further on the challenges related to language proficiency of home-care workers:

“Requirement profile questions... looking for who you are... ambitions, etc... situation questions... how can you convey to someone who does not understand... not yes / no... must be able to describe the situation... they get 'case' as they get to write... share documents and should answer in the chat... situation questions... help a 95-year-old... you find a lying... difficult to tell. What are you doing? This happens during the interview. An interview takes 1 hour - responds if there are words they do not understand. Call 112? But it does not know that we have doctors in the municipality... not looking for an exact answer but that it will be right... how do you find out how e.g. an older
person wants their food... imagination but also to interact with the person... good conversation... one leads to the other... how do you think?" (WP4SW021)

From the interviews with TCN employees it was also apparent that they are aware of the importance of language proficiency. Employees in the home-care sector (WP4SW018, WP4SW019, WP4SW020) all referred to the need and use of being able to speak Swedish and being able to communicate with the people in their care. Amongst interviewees who were employed as factory workers, language was also referred to as important and Swedish was seen as being a ‘key’ regarding employment but also socially.

It appeared also in the interviews, that several of the companies being included in this research utilized different measures and strategies to cope with the varying level of language proficiency of their TCN staff.

Utilizing an interpreter in the workplaces, supporting the workers via language training and a language teacher visiting the workplaces was a strategy utilized in factory Y, (WP4SW023). Focus here was to target the specific terminology relevant for this particular workplace.

Organizing language courses was another example of how companies cope with the lack of language proficiency of TCNs. As the CEO (WP4SW025) referred, the company, in collaboration with municipality organised language courses, to improve the language fluency of their staff with migration background. Access to this course got both company's TCN employees as well as employees coming from EU-countries.

The manager of the social enterprise (WP4SW022) mentioned collaborating with another social enterprise organising a language course for the TCN employees:

“There are many ATS companies, one of those in Gothenburg. They came here and taught Swedish at work. It is adapted for non-European-born immigrants. Where you learn the language in the easiest way. From coffee, what it can contain, to the different work steps, what they are
called, the different products, and it is about repeating the words until they sit. This is how the language grows with it. Curiosity is also needed to learn the language.” (WP4SW022)

More comprehensive user’s manuals and outlined working routines was another remedy mentioned during the interviews to cope with lack in language proficiency. The same company, who was an interpreter, has also incorporated changes to their routines when it comes to how instructions on production processes are communicated to the employees. It is apparent from the interview with the HR-manager (WP4SW023) that this change was not solely made with the TCN employees in mind:

“Not just for migrants, but for everyone and we have tried to make things clearer with regards to instructions and manuals and instructions...but again, this is not for their 'sake' but to assure that we all follow the right procedures in the workplace...we also use – in some of the procedures – a manual as well as pictures to illustrate what needs to be done.” (WP4SW023)

Also, the CEO of factory X (WP4SW025) mentioned implementation of more clear and concise descriptions of working processes, as a way how to secure that their employees with lack of knowledge of language would follow the procedure and routines required.

Interestingly, the introduction of comprehensive user’s manuals, working routines and more precise way of communicating at work was one of the few changes to the way of doing business, which several of the interviewees agreed upon, related to employment of TCNs.

The CEO (WP4SW025) mentioned the fact that although they were happy to have recruiting workers with different cultural background, and thus, possessing other skills, it is difficult in general to do large changes to the production processes, due to relative strong regulations and lows, existing in Sweden:

“We are quite governed in Sweden by laws and regulations. We are extremely controlled. So we cannot really change it. What has affected us is that we have clearer and shorter instructions, and it is good even if you are Swedish. With us, people who work with machines must be able to...
speak Swedish. Where you assemble, you can cope with a lower level of Swedish knowledge. We have arranged two language courses ourselves. Now everyone is taking a course that we have started together with Hedemora municipality. This course is for all employees who do not have Swedish as their mother tongue. So in addition to individuals from Syria, there are also Austrians, Poles, Hungarians.” (WP4SW025).

It is apparent that although in the case of this factory, the changes were facilitated by employing TCNs, other employees in the factory profited from it.

Also, the HR manager (WP4SW023) made the point that the changes made in the factory, such as clear signage and improved instructions were there not just to facilitate non-Swedish speakers but also to make the operation on the factory floor smoother and better, and to avoid confusion and provide clarity.

The manager of the incorporated company (WP4SW030) also touched upon the topic of changes to the business, related to the introduction of trainees with a TCN background in the workplace:

“I did not experience that our routines and work situation was impacted by the newcomers. We rather were worried that it would be more work on our behalf, to instruct and check, but that worked well in the end. One thing that was highlighted though, was how we express ourselves – we have really become more aware of a more straightforward and clear manners of speaking.” (WP4SW030)

Another frequently appearing theme, besides language, brought up by the interviewees were issued cultural issues related to the starting to employ TCNs. The CEO (WP4SW025) touched upon this topic by referring to TCNs understanding of role of what was referred to as ‘informal leaders/managers’:

“Language is the biggest obstacle, then there are some differences, they may have a hard time understanding how it works with holidays, leave. There is also a cultural difference when it
comes to the boss. In Sweden, it is common for there to be so-called informal managers. Those who come from outside the EU find it difficult to cope. They come to me and start complaining when another employee gives them tips that something can be done better” (WP4SW025)

The manager of the social enterprise (WP4SW022) elaborated the use of ‘native languages and references to changing/altering the workplace:

“We have chosen to be a Swedish-speaking workplace. Those who come here need to understand at least the most basic. I do not want to hear Arabic, I do not want to hear Thai, I do not want to hear Somali at work. Not when we work. When they have coffee, they can talk as they please. It’s mostly about respect for each other, that we do this together, that those sitting next to us should be able to understand what it’s about.” (WP4SW022)

The manager of the incorporated company (WP4SW030) made a point in another issue related to cultural differences:

“Other challenges than language barrier – they claimed that they understood the instructions, and then they did in a completely different way. We have had to have several talks about this with the interns. To agree to an instruction that one has not understood could expose the person and others to dangers. Is this a cultural issue?” (WP4SW030)

A similar experience was also highlighted by a manager for cleaners (WP4SW026) at the resort.

Behtoui et. al. (2020) in their research highlighted the considerable number of respondents being foreign born having experiences of racism, such as tact comments and behaviour and relate to research such as Lill (2007) and Storm (2008) who referred to non-white employees in nursing homes experiencing racist comments and behaviour. Similarly, research in a Swedish context has referred to care workers who appear to be “non-Swedish”, according to a number of studies, experiencing racism or discrimination from some patients (Lill 2007). Storm (2018) studied
Swedish and Canadian nursing homes and found that all non-white care workers in both countries reported incidents of racist comments from residents.

One of the home care workers could relate to this, but underplayed the significance thereof:

“No it is not problematic... you have to explain... someone has said they do not want a black person... but I cannot do anything about that... they talk in a way that is not ok... but they do not realize it... but you may not be able to make them change what they say... after they have talked about it... there are some problems... there is always someone who reacts like that... but you can not stick to it... you have to move on.” (WP4SW018)

There was also an awareness among managerial staff about xenophobia and racism and that this was something they had sought to address with information and awareness rising measures. However, the issue of racism and xenophobia was not something which featured heavily in the various interviews. The employee referred to the positive experiences outweighing the negative aspects.

“Much more positive things... they say hello and invite me to sit down for a cup of coffee and we talk a little bit ... it is like you are the only one they talk to and meet ... we talk about life... it is nice... they feel alone so it feels like you make a difference...it is positive and which makes me go on...” (WP4SW018)

The interviewees working in home care as well as the interviewee working young adults with disabilities (WP4SW027) referred to the challenging working situation under the pandemic

“Panic in the beginning... difficult to know how to handle this...but calmed down... knowledge and education and better equipment... good support and help from the municipality... talk to those in quarantine... you help them so they do not feel alone... we are the only ones we meet... when they aren’t allowed any visitors... difficult to adapt in the beginning but now we have got used to it...” (WP4SW018)
“It has affected the job... we cannot be close to each other and it is difficult to help someone who is demented e.g. but we have learned... they cannot see the face with a mouth guard so it can be hard...” (WP4SW019)

The pandemic was also highlighted by another interviewee – the manager for company x (WP4SW025) – not having had that much of an impact on production:

No not really. Our customers still have money, so to speak. However, we have had some problems with production. We have many younger employees and this year we had a lot of people taking time of with sick children. It has cost us very jerky production. We had an average of 2-3 absent employees continuously. As demand decreased a little, we did not notice much in practice. We see in production hours that we went down 2 hours a week, now it has been 3-4 hours a week.

This sentiment was also shared by the HR manager for factory Y (WP4SW023), who referred to increased orders. Others, such as the entrepreneur in the hospitality industry (WP4SW028) had worked out way to address fewer people visiting and frequenting the premises by introducing frozen products.
Rural areas in Sweden have during the last three decades undergone substantial economic and demographic changes, and issue around population decline, outmigration and work-age population have been some of the pronounced themes on research agenda (Hedlund and Lundholm 2015). For small, rural municipalities there is much at stake as international immigration may be a possible solution for reversing problems of population decline and maintenance of economic and social sustainability (Hedberg and Haandrikman 2014). International migration is also perceived as one of the remedies to labour market vacancies, typical for rural areas (Hedberg and Haandrikman, 2014; Hedlund et al. 2017). As shown Hedberg and Haandrikman (2014), while the native-born population with increasing pace leave rural areas of Sweden to live in urban areas, foreign-born immigrants are virtually taking their place and residing in the countryside. Although part of this flow is composed of migrants from other Nordic countries, in particular migrants contribute to rejuvenating the population structure of rural areas (Hedberg 2010).

Role of migrants with TCN background to fill vacancies in the labour market was mentioned by the manager of the resort (WP4SW026). Due to the remote location of the resort, the resort always relied heavily on seasonal workers being recruiter all over the country. When it comes to the cleaning of the cabins, which are performed only 1-2 times a week, retirees and youth from the nearby settlements were usually hired. However, because of COVID-19 pandemics, the elderly extra workers could not be recruited, and it was difficult to cover the vacancies:

"It was always difficult to get staff on the weekends. There are many who are needed for weekend cleaning. Every weekend it takes about 100 people. There are 140 people on my payroll" (WP4SW026).

According to the manager of the resort (WP4SW026), in the season 2020/2021, a large share of the cleaners were employees with TCN background, some of them resided 120km away from
the resort. To facilitate the transport of the employees with TCN background to the resort, special shuttle buses were organized by the resorts on the peak days and the employers also provided accommodation:

“If we need them for the weekend, then we usually take them by bus. Buss starts in Orsa, and drive from Orsa, through Mora, Älvdalen. We transport them by bus both here and back. If it is not completely full, then they get accommodation from us, and they take the regular bus connection home from the resort. Some weekends, this winter it was so fully booked, we had 5 weekends already as we had an extra shuttle bus running in the morning.” (WP4SW026)

With regards to the employment prospects of immigrants, Vogiazides and Mondani (2020) recently showed that the most advantageous regions for immigrants to find a first employment are at the extremes of the population density distribution: the Stockholm region and small town/rural regions. Possible explanation put forward by Vogiazides and Mondani (2020) are accrued opportunities for socialization with native-born residents, which might be beneficial in the job-seeking process. Benerdal (2021) points out short decision path, relative ease of finding right person to, as some of the advantages related to running business as well as work in small municipalities for immigrants.

The opportunities for socialization, connectedness with others as well as importance of social networks, which exists in the smaller villages and towns, came to the forefront also several of the conducted interviews. The manager for the resort (WP4SW026) describes followingly how new cleaners are recruited during the seasons:

My phone rings constantly. They talk to each other that there is job here. We bring in people who know someone else already working here and who know their language.”(WP4SW026)

One local entrepreneur (WP4SW028) - involved in the hospitality industry - referred to running his own business in the countryside as different from in a bigger city. The entrepreneur who had arrived from Stockholm in the 1990s, related to difference regarding interaction with the municipality and to the extended network of other companies and actors:
“Small towns often how can I say this... there is a difference here... in big cities there is a bigger difference, here we are quite equal... I can ask someone from another company to help me pick up the dirty dishes... they do it... or they do it themselves... that does not work in a big city... here we have a local network here. We help each other.” (WP4SW028)

The manager for the grocery store (WP4SW029) stated:

“A grocery store in a small town, we are a like spider in the social network/becomes a hub in the society, the people are our customers, we know them, we can connect people and are a way into the labour market.”

This was echoed by others:

“Feeling at home. We are basically social as people, like to hang out... neighbours, families, and acquaintances... I found it here... easier here than in Stockholm... Not negative, everything so nice to live in Älvdalen... you are some at home, in Stockholm... only you go to work, just condition... everyone is strangers to each other.” (WP4SW027)

For this respondent (WP4SW027), getting a job was easier as respondents felt that living in a smaller town facilitated this:

“Different if you were to work in Stockholm, you do not know managers there but here you work with those you know. It feels safer. They know who I am and I know who they are.” (WP4SW027)

Another interviewee - an employee at factory X - also referred to living in a smaller town allowing for a closer network and illustrated:

“Everyone knows each other here...you do not have to lock the door.” (WP4SW024)
A pronounced message from the interview material is that in rural, sparsely populated areas, workers as well as entrepreneurs with TCN background experience that they benefit from support networks and information contacts when it comes to the establishing on the labour market as well as operating business.

One informant (WP4SW031) made a point about how the social network helped him both with finding accommodation and jobs:

“I got the job in local grocery store at 25%. But it was too little. So she (the boss) told me she would help me to find another part-time job. In this way I came to Idre. I also got accommodation there, I was renting a small cottage there, from a priest whom I got to know through my former employer.” (WP4SW031)

With regards to living in a rural area, and how the immigrants perceive staying there, the answers varied. In one case, the interviewee previously working as trainee in grocery and beverages store (WP4SW031) and currently working in home-care reasoned followingly about the pros of living in rural areas:

“This is a tricky question. For me, it is more positive than negative. In a village you can communicate with people faster and people learn who you are. That is positive. You also have a slightly calmer environment. In a big city, you always have stress. Where to park your car, which bus to take, how to find a job, etc.” (WP4SW031)

The same interviewee found that these positive aspects of living in rural areas outweighed those he perceived as disadvantages:

“In a small village, as well as in a small company, it is negative that you cannot develop your skills. That you cannot switch to another part of the company. I think that in a bigger city there is a greater chance of developing.” (WP4SW031)

This also rang true in the context of one of the employees in home care:
“It can be hard to find work in small place like this...there tend to be only jobs in home care or nursing assistants...so there are not that many attractive jobs...you might sign up to be a temp and you might be called in 3-4 times a month...that’s the downside...” (WP4SW020)

From the interviews we learn that there appears to exist a mismatch between education and employment of TCNs. An interviewee (WP4SW031), formerly working as a trainee and currently working in municipality home-care describes his study background in his home country as:

“I have studied to be a veterinarian. I have also worked with teaching in (home country), I worked as a rector of the university.” (WP4SW031)

Another interviewee – now working in the municipality home care – referred to working as a liaison-officer for aid-workers and international Red Cross worker. Similarly, an interviewee working in a factory (factory B) had studied in her native country (Philippines) at university as computer scientist. Another interviewee, a woman currently working with cleaning in the resort (WP4SW032) mentioned that she studied in her home country to become a high-school teacher in natural sciences.

Andersson et al. (2014) point out underutilization of skills in the group of non-Western immigrants as one of the ongoing issues in Sweden. In the case of immigrants, it can also be argued that some employers might require a stronger formal education for the same job from an immigrant applicant than from a native application (Andersson et al. 2014, p. 2). The study of Andersson et al. (2014) showed that non-Western immigrants face a higher risk of being overeducated once they enter the labour market and lose more from being incorrectly matched with the jobs they get. Similarly, research such as Hedberg and Haandrikman (2014) also highlighted mismatches between skills and available workplaces in a rural Swedish context.

Another pronounced message from the interviews is the risk of outmigration of TCNs with higher education levels, i.e. that high-educated immigrants are moving to the larger cities in
Sweden, as soon as they get the chance. The manager of the grocery store (WP4SW029) refers to one of the trainees in the store:

“My first intern spoke English, had a higher education and was genuinely proactive. After his internship-period I hired him on a temporary contract, and he stayed for two years as my employee. He worked hard to have his education acknowledge and moved to Stockholm as soon he got his permanent residence permit.” (WP4SW029)

Similar message is echoed also by another former trainee in food- and beverage store, currently working as home-care worker (WP4SW031):

“In five years, I will hopefully finish my studies and I will move to a larger city.” (WP4SW031)

Rural to urban migration flows have been ongoing among the native population too for at least three decades (Hedlund and Lundholm 2015, Hedlund et al. 2017). But since the immigrants with low or no education are relatively less educated than the average Swede with low education, it creates a higher pressure on the local society to supply education and create job opportunities.
This report is an attempt to assess the economic impact of TCNs in the Region of Dalarna and regions - with an emphasis on three municipalities: Hedemora, Älvdalen and Vansbro. The region – as many other peripheral ones - struggle with demographic ageing, and, to a certain extent, labour shortage. The indicators used are grouped in four dimensions according to the MATILDE Economic Dimensions (MEDs): impact on economic growth, labour market, productivity, and innovation, and, lastly, entrepreneurship.

In this research we found that the TCNs were contributing to the local labour market in several ways. It is possible to relate to the consumption expenditures of TCNs impact on local businesses, since the presence of TCNs in rural areas often enhances public investments and subsidies, which act as a fiscal stimulus, aggregating demand (cf. ‘refugee Keynesianism’, Hansen 2016). The TCNs also are contributing as employees, mainly in manufacturing industries and service sectors such as grocery stores, hospitality industry and public care work. There were though elements of what Anderson et. al. (2014), referred to as underutilisation and lack of acknowledgement of skills of TCNs.

Quantitative studies of Swedish firms have shown that immigrants, especially with higher education, may contribute to increased exports both in products and services (Hatzigeorgiou & Lodefalk 2015, Hatzigeorgiou & Lodefalk 2019). The companies in our sample are unfortunately not engaged in exports. What we found however is that high-educated TCNs are seeking to move to the larger cities, which would in the long run decrease the potential to develop exports in the rural businesses.

We found that what matters is not only immigrants’ attributes, but also the specificity of local labour markets and their actors, in the success or failure of immigrants’ prospects of incorporation into the labour market and efforts to improve them. The most important precondition of a sustainable (positive) impact, however, is the migrants’ staying orientation. Legal issues here
related, for example, to the knowledge amongst managers (HR) whether a particular individual was entitled to work and that the necessary permits were valid.

The interview with the local entrepreneur active in the hospitality industry reflect the situation of entrepreneurship among our target group, where the private services, i.e. hotels and restaurants, and recreational and personal services are easier to start a business in than the more traditional industries such as the manufacturing sector (see Hedfeldt and Lundmark, 2015). Our results also support the results of Barth and Zalkat (2020) that refer to investments in “safe” businesses, the low hanging fruits of business ideas that do not need special skills or high levels of education, typical examples thereof would be ‘...ethnic grocery stores, dairies, bakeries, and even small restaurants’ (2020: 5). Whereas research elsewhere, such as Patuzzi et al. (2020) highlighted various challenges for entrepreneurs, such as legal issues and start-up costs, these issues where not found among our interviews, rather the opposite, we could say that the Swedish authorities are giving good support to set-up and run a business in a rural area.

What is emphasized in our results are the issues of language barriers. Language was recognised by employees as well as employers as a key for successful employment integration. This has also been the field where we find that TCNs have been contributing to improvements in the workplaces. Several employers report that they have clarified with more comprehensive user’s manuals, working routines and more precise way of communicating at work that were previously tacit knowledge.

It was also clear that employers experienced cultural and religious peculiarities, and we also found experiences of negative attitudes of co-workers, whereas workers within the home care related to xenophobic and racist expressions from the older people that they cared for. To be reflective on the religious aspects made companies more open-minded and tolerant, the employer can play a key role in the TCNs integration and ability to increase social cohesion through facilitating that contact with co-workers is enabled and mediating measures are implemented.

Regarding the local population, negative attitudes as well as discrimination and spatio-structural configurations might hamper the participation of TCNs in the labour market and thus their economic impact (see Portes 2019), although this was not the impression given amongst interviewees for this particular research project.

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The role of social enterprises plays an important role, although an under-researched area. The interview with the manager for the local social enterprise highlighted the work of such companies as means of workforce integration. In this particular context the social enterprise has been a way into employment for TCNs. Some have stayed on whereas others, based on their experiences, had found employment elsewhere.
BIBLIOGRAPHY


INTRODUCTION

In order to understand the economic integration of migrants by means of social enterprise and companies’ studies, semi-structured interviews were conducted in Bursa region and its district Karacabey. The province of Bursa is located in the Southeast Marmara Region in Turkey (Kaya et al. 2020). In 2019, it was the 7th richest province in Turkey in terms of GDP per capita (TUIK, 2021). It has a high industrial production capacity and high tourism and agricultural potential. Bursa is among the first five provinces receiving migration in Turkey and its share of migrants among the total population is slightly higher (7.4%) compared to the national average (5.9% in 2018) (TUIK, 2020). In 2019, 8,609 work permits, 1,119 to female and 7,490 to male immigrants, were given in Bursa. All of them are dependent jobs and for a definite period In terms of the number of work permits given to foreigners by type of economic activity at the national level, 361 work permits are granted for crop and animal production, hunting and related service activities, 2 are for forestry and logging, in total 363 out of 145,232 work permits were issued in the agriculture sector (Çalışma ve Sosyal Güvenlik Bakanlığı, 2019).

On the other hand, Syrians were granted the temporary protection status (TPS) in 2014 by Act No. 6458 on Foreigners and International Protection. To access to the labour market, temporary protection status beneficiaries need to obtain a work permit. However, seasonal agriculture and live-stock work are exempted from the work permit requirement. The number of registered Syrians are 179,201 in Bursa. The number of work permit owning migrants is just 8,609. The official statistics do not specify the subdivision by nationalities of these work permits; therefore, it is not possible to determine how many are Syrians. In addition, there is no date available about the number of work permit exemptions. Thus, we may estimate that migrants who are employed in
agriculture are mainly working in the informal sector in Bursa, akin to the rest of Turkey (World Bank Report, 2015a; Dedeoğlu, 2018).

To assess the impact of migration on local communities, we first focused on Karacabey region. In terms of population, Karacabey is the 5th biggest district of Bursa. It is located 70 kilometers to the west of Bursa. In the fertile Karacabey plain, mostly wheat, tomato, barley, corn, beans, peas, sugar beet, cotton, sunflower and tobacco are grown. Horticulture and live-stock are also developed. In addition, there exist food factories operating in Karacabey (See also Kaya et al 2020). Therefore, the economic structure provides an extensive range of activities in which migrants may take part. For that purpose, we contacted several factories, but only two of them answered our calls. One of them was a factory producing paddy and fodder, and the other was a producer of milking machines. The human resources official of the former company refused our interview request with the excuse of having no migrant employees. But in the latter, the person in charge told us they do not employ immigrants as a principle and that the same holds for other factories in the region. We also tried to contact three of the biggest food companies in Turkey, which had factories in Karacabey, but they did not respond to our persistent emails and phone calls either. So the only success we had in this initial endeavor was with an integrated plant producing cows, baits and raw milk. The human resources manager of the company (WP4TRB001) confirmed that they also did not have any Syrian employees even though they had some Bulgarian migrants who came to Turkey in 1989. According to our interviewee, it was mostly because the Syrians refrained from applying, thinking that they would be rejected anyhow. Despite the refusal of our interview requestes by the factories, we were told by other local inhabitants that a few Syrians were employed by such factories located in Karacabey. As the informality is a kind of norm in the Turkish labour market, our interpretation of this case is that factories are hesitant to disclose this fact.

Different researches show that one way Syrians in Turkey integrated into the economy was by establishing their own firms (Kaygısız, 2017; UNDP-TR, 2019). Therefore, we decided to try our chance by reaching to the small shopkeepers in Karacabey. For that purpose, we first contacted one of the several craftsman’s associations in Karacabey. The person in charge explained that even if there had been any Syrian employees in those shops, they would probably have been sacked
because of the Covid-19 pandemics. We then contacted another craftsman’s association in Karacabey. They said they had a few Syrian members, but it is hard to communicate with them because they don’t speak Turkish.

The majority of Syrian migrants in Karacabey are employed in the fields during mostly summer (Kaya et al., 2020). However, due to the pandemic and seasonal conditions, we could not reach them. We also heard that another migrant group, Afghans, most of whom are irregular migrants, were recruited as shepherds in the husbandries (WP4TR001). However, since most of them are working informally, we couldn’t reach them either. It turned out that even if there were permanent migrants in Karacabey, they mostly work in Bursa where job opportunities are greater. So having failed to access the field in Karacabey, we turned our attention from the local area to the region.

Bursa is known to have some districts in which Syrian workers and enterprises are heavily concentrated (Kaya et al., 2021). To assess the economic integration of Syrians, we visited those places where we could talk with the owners, employees and customers more easily. Our first destination was Vişne Street, along which textile firms producing infant clothing have concentrated. We had three in-depth interviews with different people from this sector. One with the owner of a manufacturing firm (WP4TRB002); another, with the Turkish owner of an infant textile shop (WP4TRB003), a two-storey retail shop with seven employees; and finally with a Syrian small shop owner (WP4TRB004) with a single Syrian employee.

As we did in Karacabey, we tried to use the artisans’ associations to reach small shops in Bursa. First we tried the Chamber of Tailors Drapers Clothiers and Hatters (Bursa Terzi Kumaşçı Elbisecî ve Şapkacılar Esnaf ve Sanatkarlar Odası). However, the secretary of the Chamber explained that even though they have a few members, they are very timid and very difficult to communicate with. Nevertheless, an official from the Chamber of Grocers (Bursa Bakkallar Esnaf Odası) told us that they had about 200 Syrian members and that he could arrange a meeting with 10 of them. However, only one of them showed up at the meeting. We interviewed the Syrian grocery store owner (WP4TRB007), a Syrian accountant (WP4TRB008) and the official of the Chamber (WP4TRB009) in one in-depth session.
After all, Çarşamba Street, famous for hosting only Syrian shops, was always the last resort for us. Almost all the shops on this street are owned by Syrian migrants, and all the shop signs are in Arabic. Most of the employees and the customers are Syrian migrants, and very few of them speak Turkish. During our interviews with migrants, we found out that the language barrier was quite challenging. Despite the Covid-19 pandemic, we visited 16 shops in total with an interpreter provided by our local partner, Hayata Destek Derneği. People in five of them refused to participate in the interviews. The rest of them were carried out as face-to-face interviews with the participation of one or two people. The economic activities of these firms are summarized as follows: a stationery shop with two partners, having no official employees but the son of one of the partners helping them with the cash register (WP4TRB010); a small döner shop with two employees (WP4TRB011); a mobile phone repair shop wherein the interviewee explained that he had a PhD in biology in Syria and was about to start working in the shop which was not officially active yet (WP4TRB012); a shop helping Syrians/foreigners in visa applications with four employees (WP4TRB013); a small restaurant with three employees (WP4TRB014); a small jewelry store with no employees (WP4TRB015); a shop selling dried fruits and nuts which is a branch of a well known brand with several branches in Istanbul with two employees (WP4TRB016); two separate businesses in this small shop; one is a mobile phone repair desk operated by the owner and the other is a bill payment point operated by two employees (WP4TRB017 & WP4TRB018); a small perfumery with no employees (WP4TRB019); a wholesale grocer similar to a small market (WP4TRB020); a very small grocery store on the backstreets with no employees (WP4TRB021).

Many Syrians initially depended on aid provided by the municipality and other organizations, but some have now found jobs as semi skilled workers in a wide range of sectors including construction and manufacturing. While most Syrians live in the poor inner neighborhoods of the district, there are also some well-off refugees who tend to purchase several apartments in luxury apartment construction projects, in order to be granted Turkish citizenship. There are also similar diasporic spaces in the other cities of Turkey such as Fatih and Esenyurt in İstanbul, Hayati Harrani in Şanlıurfa, districts that are attractive to migrants due to low rents and living costs, compared to other areas. However, many locals see this tendency to create language and culture-based community areas as a barrier to coexistence (see also Kaya et al., 2021).
Bursa received diverse streams of migration during its history. In our field research, even though our theoretical focus was the migrants in general, interviewees usually understood Syrians or “the Balkan migrants”, (to a smaller extent) whenever we asked them about migrants. In 1980’s, nearly 400,000 migrants of Turkish origin migrated from the oppressive regime in Bulgaria and 80,000 of them were settled in Bursa. They are “the Balkan migrants” in the city’s memory (Kaya et al., 2021). Syrians are the largest group recently migrated to Bursa. Our interviewees once mentioned Meshketian Turkish and Afghans, but for the rest, migrant means Syrian in Bursa.
We already mentioned that an overwhelming majority of the migrants in Karacabey are seasonal workers employed in agriculture (Kaya et al. 2020). And in Bursa, almost all our interviewees were either small shop owners or their employees. Therefore, it is not possible to say much about any organizational or social innovations realized in big company settings. Also the fact that the overwhelming majority of Syrian migrants are unqualified workers and working in the informal economy makes it very difficult for us to get clues as to organizational innovation capabilities of migrants. Research conducted by the Turkish Ombudsman Institution shows that 33.3 per cent of Syrians in Turkey are illiterate, and only 5.6 per cent of them held high school or higher education diplomas (Kamu Denetçiliği Kurumu 2018). Even though children are included in these figures, Syrians’ low education level provides one reason for their limited opportunities to have a job in the formal sector. Temporary protection status owners in Bursa mainly work in low-skilled jobs; given their low education levels, this implies that their capability to bring any organizational change or innovation to the company structures is very limited. Our interviewees from the formal economy confirm that they prefer to employ qualified migrants, and there exists a high turnover rate among non-qualified migrants. Another point we should keep in mind is that number of TPS (temporary protection status) owners at a workplace cannot be more than ten per cent of the numbers of Turkish citizens (art. 8 of RTPSWPR). So we can confidently say that there is no indication of big companies in Bursa employing considerable numbers of migrants to cause any change in their ways of business.

WP4TRB005: “In other words, we employ the people who know the job, those who know the job can keep up with your system, those who do not comply are already gone. We have had maybe 30-40 immigrants who came and went in these two to three years.”

WP4TRB002: “Let me say qualified, we recruit qualified staff, but we also recruited those who are not qualified; I can say they are not stable. They have an unstable stance; in their discourse, in their behaviour. I can say this especially for Syrians; they are not very popular as a community. Syrians were actually not admitted very much; we are forced to
work because we have difficulties in finding employees to employ. We accept them as a compulsory workforce”.

As regards the self-employed TPS owners, the number of Syrian owned enterprises continues to grow in Bursa. Migrants with technical and business know-how make significant contributions to the economic life of the region. As we mentioned in D. 3.1/D 4.1, Syrian owned enterprises and migrant workers have made quite positive contributions to the textile sector (Baglioni et al., 2021).

WP4TRB002: “There was a big sector in Syria, especially in children’s clothing, they were producing and marketing to all regions of the Middle East. They are in Bursa now in this sector.”

Apart from textile, when we look into the distribution of business activities of the interviewed migrants, they mainly procure services in trading of grocery items, mobile phone accessories, jewellery and restaurants. These findings are in line with the findings of a survey on Syrian owned enterprises in six other cities of Turkey (UNDP-TR, 2019). Also, this study shows that for 70 % of Syrian-owned enterprises in Turkey, customers appear as the main source of new product ideas, innovation and R&D, and there is a need for the implementation of a culture of innovation and R&D in these firms (UNDP-TR, 2019).

Another significant development has been the introduction of Syrian tastes and preferences into the domestic market. This is especially an important niche for grocery shops. Most of them mainly sell products that appeal only to Syrian tastes.

WP4TRB009: “Since Syrians sell their own products mostly, there are products that we do not consume, which they consume according to their own taste; especially these products come from Antep. They sell more of the products eaten by their own community. The grocery stores that I know of are generally 100% selling to Syrians.”
WP4TRB021: “One-third of (my clients) are local people, and two-thirds are Syrians. There are many products that we have but not available in local markets as a benefit of immigration; One of them is Syrian style coffee, here are products such as canned food”.

A worker in a dried fruits and nuts shop said that most of their customers are from Syria and that they bake their products in a different way that suits the tastes of Syrian migrants.

WP4TRB016: “We also have local customers but very few. Generally, Syrians and foreigners buy products from us. There is nothing coming from Syria; all of our products are local from here. Some products are not available in Turkey we import from Europe, the only difference is that we’re getting them raw while it’s fresh products we received and we are doing different roasting according to the Syrian culture.”

A migrant jeweller (WP4TRB014) said that their customers are exclusively Syrian simply because the units used for measuring the quality of gold (carat) are different in Syria and Turkey. Therefore, the golds sold in Turkey and Syria are different.

One important consequence of the flourishing of migrant owned shops has been the spreading of the store credit practice to the migrant community. This must be a very important development for the migrant community as it is highly doubtful if the Turkish shops would let them shop on store credit. One Syrian grocer says that he lets his Turkish customers shop on store credit as well.

WP4TRB007: “We know all the people in the neighbourhood, and they don’t shop at supermarkets. Our prices are lower because we don’t profit much. Furthermore, they can buy on store credit. For example, he may not have cash but still buy bread or cigarette and pay later. This is huge convenience for the customer. If you look at our logs you may find many such transactions. I treat my Turkish customers the same, I don’t discriminate.”

Finally, we may talk about a type of change that took place naturally in the way migrants do business as a result of increasing adaptation to the social and legal environment of the migrants
and the improvement in their conditions of living. The official of the Chamber of grocery stores mentioned that initially, many grocery shop owners had set up their shops with insufficient capital. As a result, their shops were in bad shape and their products were of poor quality. Similarly, they had little knowledge about the necessary regulations and procedures to be followed. So, many of them found themselves in an illegal position and some were even swindled. However, as the migrants became more experienced over the years, such mistakes became rare. Similarly, as they earned some money, they started to improve their shops. On the other hand, the migrant community started to demand more quality goods from them. Even though they still mostly sell goods that appeal to the Syrian community, the groceries increased both the quality and the variety of the goods they sell. While the first quote below describes the poor initial conditions the first migrant shop owners found themselves in, the second one highlights the better conditions and the recent developments in the sector.

WP4TRB009: “It is difficult to compare them with our shops in terms of technology and hygiene of the shelves. Our groceries are top-notch in terms of visual, technological and hygienic matters. But their best shop is not even at the same level as our worst. Because they invest very little capital in their shops. They can find customers because Syrians shop from Syrian groceries. Otherwise, they couldn’t compete with our shops. They would never be preferred to ours. For example, you can find bar code readers in 80% of our shops…”

“Their citizens will force their grocers to sell better and more varied products. And the grocers will have to adapt to survive. Our shops usually have 8 to 10 times more products in stock than their stores”.

WP4TRB008: “One comes and fills two shelves (with products) and thinks that he set up a grocery store. These created many problems in the market, both to Syrians and to Turks. I tell them that they have to pay so much tax, so much accounting commission… he says he can’t afford it, that he cannot earn that much money. They don’t know the regulations. But recently only the ones who can afford are setting up stores…”

“It is (the positive change) already happening. For example, I didn’t used to buy rice or bulgur from them, I used to buy them from the supermarkets. But recently I found out that
they started to sell quality products, so now I buy from them. Nowadays, they are inspected for the health of their products. And the customers don’t want to buy such products. Some even did not bother with the expiry dates…”

In terms of migrants in social enterprises, we should first underline that there is no legal definition of social enterprise under Turkish law. The lack of definition makes difficult the recognition of such entities. Associations and foundations are traditional legal entities that are dedicated to the pursuit of social aim. They generate income through their commercial enterprises. These commercial entities may be the closest example to social enterprises in Turkish law, even though they are not exempted from tax liabilities. Only associations which hold a special status of "associations functioning for the public benefit” are granted exemptions from tax liabilities. In addition, some types of cooperatives, particularly women’s cooperatives and education cooperatives, are deemed under the typology of social enterprise in accordance with the criteria of participative-decision making (European Commission, 2019).

NGOs on the field may play an essential role in the social cohesion of migrants with locals. Nevertheless, having a work permit to have a paid job in an NGO seems quite difficult. According to Article 11 of the Regulation of Work Permits of Foreigners under Temporary Protection, associations holding a particular status of "associations functioning for the public benefit” may lodge an application for the employment of foreigners under temporary protection in humanitarian assistance activities. Associations, foundations and other non-profit organizations without such specific status may also apply to employ foreigners under TPS. In this case, the consent of the Ministry of Interior shall be sought regarding the applicant organization. Applications from organizations that failed to receive the consent in question shall be cancelled without evaluation. Therefore, it takes longer to get a work permit in NGO’s. We reached similar findings from our interviews that are in line with the outcomes of a survey that concludes there exist a limited number of Syrians employed in social enterprises due to work permit problems and language barriers (Social Entrepreneurship under Scrutiny, 2020):

WP3WP4TR001: “We have employed our friends until March 2020, but there are serious problems in terms of work permits with the Ministry of Labor; organizations such
as associations and NGOs can not easily get work permits. We’ve had a lot of correspondence with the Ministry of Labor about this, we’ve tried a lot, but we haven’t received any feedback yet. Even UNHCR, as a precaution, prefer to hire employees who can speak Arabic and obtained Turkish citizenship. Because there are serious problems with work permits in non-governmental organizations. In addition, after March 2021, the issue of employing foreign nationals in other companies, not only non-governmental organizations, but also companies and workplaces, has become very difficult. The Ministry of Labor does not take any quick actions about this situation; it does not respond. This is probably related to the economic problems caused by COVID. But this is what I heard from the field. I can say that even many organizations have great difficulties while obtaining work permits right now.”
To assess how migration had intertwined with the local community through the participation of migrants, one should bear in mind a serious structural problem of the Turkish economy: informality. An informal economy (informal sector) is the part of any economy that is neither taxed nor monitored by any form of government. As of May 2019, employment in the informal sector makes up 34.3% of the total employment of the Turkish economy (Erdoğan 2019). Among those who are employed, the informality rate is without Syrians 17.1% and with Syrians 20.1%. The nation-wide informality rate, including self-employed persons, is about 34.34% without Syrians and with Syrians 36%. In certain sectors such as garment, construction, food and beverage services, higher informality rates are observed (Caro, 2020). Therefore, the deep structural problem of the economy and non-efficiency of the labour law mechanisms affect every worker, both natives and migrants.

Such informality has ambivalent effects on the social and economic integration of migrants and also affects the role of migrants in the development of rural regions.

SYRIAN OWNED ENTERPRISES

The owner of a manufacturing firm (WP4TRB002) said they had employed Syrian workers in the past, but they all quit and set up their own firms. He said he does business with migrants in the subsidiary industry but currently has no employees. Likewise, the Turkish owner of an infant textile shop (WP4TRB003) said that Syrians aim to open their own shops and quit the job as soon as they feel they are ready for it. Indeed, a Syrian small shop owner (WP4TRB004) explained that he set up his own firm after having worked at similar shops. These interviews imply that Syrian migrants generally prefer to establish their own businesses if they have enough financial means (UNDP-TR, 2019).

Enterprises owned by migrants are to be considered an essential index to assess the participation of migrants in the local economy. According to a recent report prepared by UNDP, 45
% of the Syrian owned business operates in the wholesale and retail sector, 14 % in the manufacturing and 10 % in the food and beverage sector in Turkey (UNDP-TR, 2019). Coherent with our findings, most of the Syrian owned enterprises are small trade businesses. There are projects, for example, IMECE, to support start-ups among refugees and help them to develop entrepreneurial skills. Our interviews show the different skill levels and business targets among TPS owners:

WP3WP4TR001: “Some of these groups are generating entrepreneurial ideas to sell services and products to their own community who are the refugees living here. There is also a second group that makes feasibility studies for entrepreneurial ideas specific to the city and geography they live in; this group wants to provide products and services for the host community in Turkey as well. There is also a global-minded team that thinks more globally, can use technological tools well, and somehow developed these skills through our training or external training.”

Our findings show that the main customers of Syrian owned enterprises are the Syrian community in Bursa. When we ask about their clients, interviewees told us that

WP4TR021: “One-third of them are local people, and two-thirds are Syrian.”
WP4TR017: “%60-70 Arabs, %30-40 Turks. Thus, we have both”.

For the moment, most of them are mainly family businesses run by fathers and sons, but there are also others employing several migrants. Thus, these types of companies are set up in city centres where the Syrian population is dense. Rural areas do not seem attractive from this perspective.

TPS OWNERS AND ACCESS TO THE EMPLOYMENT

Temporary protection status (TPS) owners registered for at least six months are entitled to apply for a work permit to work legally. If TPS owner applies for an independent work permit, they
lodge the application on behalf of themselves. If the TPS owner is to be recruited by an employer, the work permit application is made by the employer (Art. 5 of RWPFTP). The low number of work permits given to TPS owners indicates a widespread informal work practice. Those who have no future prospect in Turkey are less affected by the drawbacks of informality. Nevertheless, TPS owners who wish to stay in Turkey seem to understand the importance of having a formal job. The need for proof or a documented history in a citizenship application outweighs the social security benefits.

WP4TRB023: “I mean, this work permit is not much. You can get it if you pay for it, but the employer has to do it, not the worker. The employer has to get the permit, but they say "if you want a work permit, pay it yourself". The main reason I want a work permit is for citizenship, for registration.”

It seems there are many instances where employers demand migrants to pay their work permit application fees as well as their insurance contributions if they want to work formally (WP4TR014). Migrants are suffering from all kind of precarity in these informal jobs, and these findings are in line with earlier studies in the field (Kaygısız, 2017; Leghtas, 2019):

WP4TRB023: “When they realize that we are foreigners, they pay less, and they don’t make insurance. When we ask for insurance, they say if you don’t accept it go elsewhere. For example, I was working for a low wage, the Turks come and ask why I work for less, I have to work for however much I can find what can I do, I have to earn money. The inspections are stricter now, there is a danger of deportation, there is a penalty for both the employee and the employer, but what should I do, sister, I have to earn money, should I stay on the street? What the employer has to do is to pay one fee for the work permit and then to pay the insurance like they do for a normal Turkish citizen. But they don’t do it, I mean 70% of them don’t.”

WP4TR021: “They made me work informally; without insurance, I did not get a work permit. In fact, I worked harder and got less salary, and there were cases where I worked and did not receive any salary at all. So we do the job, we finish it, then they say "You don’t
have anything with me, leave”, I encountered similar incidents.” (similarly WP4TR020; WP4TR018)

One of our interviewees perfectly summarized the economic logic of informal employment:

WP4TRB022: “In fact, this is not the choice of immigrants, but rather the employers’ abuse of this situation. When we calculate economically, with the insurance of an immigrant, instead of employing 2 registered people, they employ 3 unregistered people, sometimes even 4 people. In other words, very punctual inspections are needed to prevent this, but this will affect immigrants badly while doing well. Most employers will prefer local workers rather than deal with work permits.”

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CHALLENGES FACING IMMIGRANTS

LANGUAGE BARRIER

In all sectors, both formal and informal, either self-employed or wage workers, the lack of language skills appears as the most challenging barrier to overcome by immigrants. The language barrier affects both their employment opportunities and the quality of jobs they find.

WP4TRB010: “- What kind of troubles did you have?
  – Language, some people are also racist, but they got used to it gradually…”

WP4TRB022: “I mean, I am originally a Turkmen of Syria, our village is in the border region, but I have always lived in Aleppo. I have never had trouble dealing with the local community; I only had some in public buildings a few times; there’s no problem while speaking but when I show that identity at the time of application, everything changes. The things that should normally be done are not done, I mean people don’t do the things that are their job when they see your identity. Sometimes I have an advantage because of the
language. I have been speaking Turkish since my childhood, I did not learn the language from scratch; it can be even more different and difficult for those who do not speak Turkish.”

One interviewee gave a striking example regarding the importance of language skills for migrants’ careers:

“....My father is a carpenter. He used to create superb models there. But he can’t do it here because he doesn’t speak Turkish. He works as a regular worker.” (WP4TRB008)

The literature shows that the increasing language skills enable immigrants to set up their own enterprises and allow them to gain their livelihood through formal jobs (Şentürk, 2020; UNDP-TR, 2019, Kirişçi, 2019; DSP-IGAM, 2019)

DIPLOMA EQUIVALENCY AND VOCATIONAL SKILLS

Recognition of immigrants’ qualifications still reveals considerable difficulties for TPS owners. Fleeing conflict in Syria, they were forced to leave behind all personal documents, which are necessary to prove their qualifications.

WP4TRB023: "There is that too, but I want to study anyway, I had a goal to study English Literature, and I will do that. I graduated from high school in Syria, but I did not have a certificate here, so I started from the beginning again.

.....

No, I started from elementary school, I started from the beginning. I enrolled in open education at the age of 20, from scratch. Otherwise, I would have been about to graduate from college”

Even for those who have a higher education, getting a job matching their qualifications seems something else. One of our interviewees, who came to Turkey six months ago with a tourist
visa and stayed irregularly, said that he had a PhD in biology and found a job as a telephone repairman.

WP4TRB012: “I received training on telephone repair in Syria, I went to a course. I found this job through a friend when I came here”

The other one has a different career path:

“I am 37 years old, I came to Turkey in 2015, I was a teacher in Syria…
- What did you do first when you came here?
  I worked as a carpenter for about 3 years, then I started working here as an accountant” (WP4TR020)

Not only education level but also vocational skills play an important role in access to the labour market. Evidently, highly skilled immigrants find jobs easily.

WP4TRB005: “Those who match our requirements, in general, in our sector, they should know one or two sewing machines, they should be qualified people, they should know this job well; Of course we recruit people with those qualifications”.

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DIFFERENCES IN WORK CULTURE

Differences in working culture reveal an important challenge both for wage workers and self-employed immigrants. Syrians are complaining about Turkey’s long working hours, whereas Turkish employers accuse Syrian immigrants of being lazy.

WP4TRB023: “The working hours here are very long, it’s 12 hours a day no less, from 7 am to 7 pm. We were working for even longer when we first arrived.” (similarly WP4TRB020; WP4TRB011).
WP4TR019: “So there is not much difference in terms of work culture; we just have to work here longer. For example, I cannot close the shop on Sundays here. Sunday is the most crowded day, the weekends are when I work the most.

- Was it different back in Syria? Were you closing the shop over the weekend?

- I always closed the shop on Fridays. I never worked.”

WP4TRB022: “I did not work in Syria, I was very young, but there are differences and things I observe. The public sector stops working at noon there, around 1-2 pm. I mean, they close completely, not like a lunch break. It depends, in the private sector, some of them were working until the evening. In the last few years before the war, some places started not to close at all, but the working hours were the same, I mean people worked with shifts.”

Two big immigrant groups in the memory of Bursa are compared in terms of their attitudes in work-life:

WP4TRB002: “Educated people from Bulgaria have settled in different parts of Bursa, sheltering themselves in some way. I still say, a woman with her mother-in-law would do the work of five local people. Because they were educated in high school there, they are very disciplined hard-working people, not lazy like us. They have provided a tremendous benefit, not only in our sector, but in all areas; I think they contributed to the development of the city and its infrastructure. There are people who came at that time and are now factory owners. (...) It is said that there are around 350 thousand Syrians officially, most of them are in ready-made clothing, but of course, they also have a lazy side because women do not work, only men work. There’s no discipline; only some of them are disciplined. There are people who opened up shops on Vişne Street. We also recruited employees, but they worked for two or three years and then started their own business.”

The non-camp approach of Turkey enables TPS owners to secure their own homes and livelihoods despite all its drawbacks from the perspective of decent work (World Bank Report, 2015; Erdoğan, 2019). In terms of discrimination and wage gaps between migrants and nationals,
recent research shows that Turkish natives earn 63 per cent more than Syrians. However, the wages in the informal sector look very much similar to each other. In terms of working hours, the working hours of locals working in the informal sector are about 55.8 hours weekly and of Syrians 55 hours (Caro, 2020). Both groups are working beyond the legal limits (max. weekly working hours is 45 hours) but in similar terms. Syrians with tertiary studies are the ones who suffer most compared to natives (Ibid).
CONCLUSION

In our previous report (Baglioni et al., 2021), we mentioned some research findings about the contribution of the Syrian migrant community to the economies of Karacabey and Bursa. According to research, the overall impact of the Syrian migration on the GDP of Turkey was positive. Furthermore, there seemed to be no negative effect on the unemployment rate because more than 95% of migrants were employed in the informal sector. This also ensured that there was almost no friction between the domestic workers and the migrants for the formal jobs. Another finding of the research was that Syrian migrants made positive contributions to the Bursa economy by providing labour, capital and entrepreneurship to many sectors. We were hoping that our fieldwork and in-depth interviews would enable us to assess the validity of these findings. However, as pointed out earlier, the Covid-19 conditions and the near impossibility of finding migrants in Karacabey made this task difficult. Nevertheless, we are happy to see that none of the findings of our fieldwork that we summarize below contradicts the findings of the previous research we mentioned above.

The difficulty we had in finding big companies employing migrant workers confirms indirectly the argument that a big majority of migrant workers are employed in the informal sector. The two companies we interviewed stated that they had no migrant workers and that the situation is the same with similar companies. Furthermore, many of the interviewees shared their past experiences of informal employment and said it is a widespread phenomenon. However, the interviewees also stressed the point that starting from 2017, inspections in Bursa became more frequent and harsher, leading to a considerable fall in the rate of informal employment.

As TPS owners are exempted from work permits in seasonal agriculture and live-stock jobs, we would expect immigrants to have settled in the Karacabey region rather than Bursa city centre. However, our fieldwork suggests the opposite. TPS owners come to this rural area during the harvest season to earn their livelihood, but they prefer to reside in a more crowded industrial city center where there exists a community of compatriots and more small jobs.

Informality, however, is not so prominent in the economic life of migrants if they are entrepreneurs. Several interviewees pointed out that almost all businesses that had recently been
set up by migrants were done so in compliance with the regulations. They paid all the necessary taxes and fees just like their Turkish counterparts. This also implies that migrant businesses are not in unfair competition with Turkish firms. Furthermore, the fact that the customers of the migrant owned businesses are mainly migrants reduce the possibility of competition between the two groups. Many interviewees declared that they had very good relations with their neighboring Turkish businesses.

Our fieldwork made it clear that entrepreneurship is well and alive in the Syrian community. They set up thousands of businesses in certain regions and in many different sectors. Many interviewees mentioned Syrian workers eager to set up their own businesses. This was a point made by previous research (UNDP-TR, 2019). Even though it is not possible to ascertain their contribution to the employment in the region, it is clear that they make a huge contribution to the provision of the needs of the Syrian community. Almost all Syrian migrants do their daily shopping from Syrian owned firms. This has more to do with practical reasons than nationalist sensibilities. First, Syrian shop owners provide local goods and services that the migrants cannot find in Turkish shops. Second, the Syrian shops sell cheaper goods. And last, they can buy those goods and services on store credit. True, small Turkish shops, especially groceries, also let their customers shop on store credit, but it is doubtful if they could accommodate so many newcomers with very poor purchasing power.

It is an unfortunate fact that Turkey does not have any policies toward promoting migrant entrepreneurship and innovation capacity. However, it could be a comforting fact that there is no policy to hinder it either. It seems that migrant entrepreneurs do not have difficulties more than their Turkish counterparts. No interviewees mentioned any difficulties or disadvantages the migrant entrepreneurs were confronted with.

Our findings imply that, in terms of economic integration and welfare, the most important problem the migrants face today is the language barrier. This is a point stressed by several interviewees. Those who overcame the barrier could find better jobs with higher wages or set up their businesses more easily. Teaching Turkish to as many migrants as possible should be an urgent policy target for the authorities. In addition, the lack of vocational skills matching the needs
of the industry disables immigrants to find better jobs in the formal economy, even those who override the language barrier. These findings are in line with previous research about migrants in other countries (Federico & Baglioni, 2021).

One of the main conclusions to be drawn from the field study is that even though the markets of the migrants and the locals are still dissociated to some extent, there are signs that as the migrants gain confidence and their living conditions get better, the economic integration will increase, too. In that case, the contribution of the migrants to the local and national economy will probably multiply.


Istanbul Bilgi University and Queen’s University of Belfast, Social Entrepreneurship under Scrutiny: Livelihood and Employability of Refugees, 15 February 2020, available at www.matilde-migration.eu


World Bank Report (2015b): Turkey's Response to the Syrian Refugee Crises and the Road Ahead, December 2015. Available at https://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/12/21/090224b083ed7485/1_0/Rendered/PDF/Turkey0s0respo0s0and0the0road0ahead.pdf
INTRODUCTION

The companies selected for this report represent a sample of the Outer Hebrides local economy in the sectors of the “foundational economy” (Bentham et al. 2013) as well as in other relevant sectors.

In the Western Isles in 2018 there were 1255 registered enterprises, mostly with less than 50 employees (94%). 45% of all those enterprises were operating in the sectors of the foundational economy: primary sector (25%); construction (9%); education, human health and social work activities (6%); transportation and storage (4%); electricity, gas, steam and air conditioning supply (4%). Other relevant sectors include: wholesale and retail trade, repair of motor vehicles and motorcycles (14%); professional scientific and technical activities (8%); accommodation (8%) (Scottish Government, 2019).

Unfortunately, it has not been possible to involve social enterprises or community trusts – the latter represent a fundamental part of the local economy because they own around 50% of the Outer Hebrides land and approximately 75% of the population live here (Rennie and Billing 2015). We contacted five local community trusts, four community organizations and one social enterprise but we neither received an answer nor found an organization that employs migrants. Nevertheless, two interviewees have worked for a local social enterprise and a community organization therefore, we could collect information from the employees’ perspective about this sector.

Interviews collected during the online fieldwork (n. 15) investigate the views of both locals and migrants on the local economy. Table n. 1 reports the three main groups of organizations involved in the research.
FISHING SECTORS ENTERPRISES

We studied four local enterprises that employ migrants operating in the fishing sector.

The first one is a local factory that is a well-established company in the sector of harvesting and processing, operating locally with about 10 employees, around 7 of which are EU migrants. They are expanding their activity and currently building a larger factory, and also looking to hire more workers, notably migrant workers (they plan to triple the number of employees).

The second enterprise is a local factory in the sector of harvesting and processing operating locally whose employees are about 65% EU migrants, notably from Latvia. Two of their previous migrant employees are now self-employed in fishing sector and they provide the material for the factory.

The remaining two companies are fishing companies with a small fleet of vessels (less than three); there is generally one sole migrant employed per vessel working with one skipper. We interviewed three skippers/owners and only in one case we could present the two diverse perspectives, that of the owners and of the migrant fisherman.

MIGRANT ENTERPRISES

We examined three firms owned by migrants, it encompasses diverse types of business.

Among those, firstly there is a fishing company owned by migrants. It is a family company that employ only the migrants and their family. Nevertheless, it provides work for the local fishing factory that employ thirty people.

Secondly, we could study a homemade production business opened a couple of years ago by a migrant with the support of a local public scheme for supporting potential entrepreneurs. The company has no employee.

Thirdly, we studied a hotel opened 15 years ago by a TCN and employing notably returning seasonal workers from the European Union. This case is particularly interesting as it is business owned by a migrant and business that employs migrants. We could explore two diverse perspectives, that of the owner and of a worker.
Finally, we analysed a particular form of work organization: two migrant freelances who both live permanently on the islands. One of them has professional relationships with local organizations and is inserted in the local economy. The other is de facto an employee of a foreign company working remotely.

**Table 1. Type of business involved in the research**

<table>
<thead>
<tr>
<th>Type of organizations</th>
<th>Sectors</th>
<th>Description</th>
<th>Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Enterprise that employs migrants</td>
<td>Primary</td>
<td>Harvesting and transformation company</td>
<td>WP4SCOT08</td>
</tr>
<tr>
<td>2. Enterprise that employs migrants</td>
<td>Primary</td>
<td>Harvesting and transformation company</td>
<td>WP4SCOT14</td>
</tr>
<tr>
<td>3. Enterprise that employs migrants</td>
<td>Primary</td>
<td>Fish catching</td>
<td>WP4SCOT11; WP4SCOT12</td>
</tr>
<tr>
<td>4. Enterprise that employs migrants</td>
<td>Primary</td>
<td>Fish catching</td>
<td>WP4SCOT14</td>
</tr>
<tr>
<td>5. Enterprise owned by a migrant</td>
<td>Primary</td>
<td>Fish catching</td>
<td>WP4SCOT09</td>
</tr>
<tr>
<td>6. Enterprise owned by a migrant/ Enterprise that employs migrants</td>
<td>Accommodation</td>
<td>Hotel</td>
<td>WP4SCOT04; WP4SCOT13</td>
</tr>
<tr>
<td>7. Enterprise owned by a migrant</td>
<td>Food</td>
<td>Homemade production</td>
<td>WP4SCOT05</td>
</tr>
<tr>
<td>8. Freelance migrant worker</td>
<td>Consulting</td>
<td>Expert of local culture</td>
<td>WP4SCOT06</td>
</tr>
<tr>
<td>9. Freelance migrant worker</td>
<td>Academia</td>
<td>Teacher and researcher</td>
<td>WP4SCOT10</td>
</tr>
</tbody>
</table>
As table 2 shows, we have diverse types of interviewees, 4 representatives of the local economy (e.g. members of professional associations) who provided key information about the local economy and their point of view on migrants’ role in the fundamental sectors of Western Islands. 5 British managers who work for enterprises (the two fishing companies) that employ migrant workers. 6 people (two from TCNs and four from EU) who migrated to the Outer Hebrides and have settled there either finding a job (two freelance and one employee) or creating their own business (three entrepreneurs).

Examining results from a gender perspective, we have not been able to guarantee a balanced representation caused by the lack of access to sectors and types of enterprises where women are more represented. Still, we can report that in the main economy sector – the fishing industry – there is a marked gender subdivision: the fish catching mostly employs male workers while the transformation and production there can be a predominant presence of female workers (as in the enterprise n.1).

**Table 2. List of the interviewee**

<table>
<thead>
<tr>
<th>Codes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP4SCOT01</td>
<td>Representative of local economy</td>
</tr>
<tr>
<td>WP4SCOT02</td>
<td>Representative of local economy</td>
</tr>
<tr>
<td>WP4SCOT03</td>
<td>Representative of local economy</td>
</tr>
<tr>
<td>WP4SCOT04</td>
<td>Migrant business owner</td>
</tr>
<tr>
<td>WP4SCOT05</td>
<td>Migrant business owner</td>
</tr>
<tr>
<td>WP4SCOT06</td>
<td>Migrant freelance</td>
</tr>
<tr>
<td>WP4SCOT07</td>
<td>Representative of local economy</td>
</tr>
<tr>
<td>WP4SCOT08</td>
<td>Manager of business with migrant workers</td>
</tr>
<tr>
<td>WP4SCOT09</td>
<td>Migrant business owner</td>
</tr>
<tr>
<td>WP4SCOT10</td>
<td>Migrant freelance</td>
</tr>
<tr>
<td>WP4SCOT11</td>
<td>Manager of business with migrant workers</td>
</tr>
<tr>
<td>WP4SCOT12</td>
<td>Manager of business with migrant workers</td>
</tr>
<tr>
<td>WP4SCOT13</td>
<td>Migrant worker in local business</td>
</tr>
<tr>
<td>WP4SCOT14</td>
<td>Manager of business with migrant workers</td>
</tr>
</tbody>
</table>
The fieldwork through online remote connection has presented many difficulties and issues; it has not been possible to establish enough connections with subjects in the selected areas despite the high number of requests sent. The research team sent around 50 emails and follow up calls with request for chat and/or interview to businesses in the Outer Hebrides and it has been possible to reach 15 interviews, most of those obtained from snowball effect. In the North Ayrshire, the second case we initially considered for this report, to 62 emails and further calls no one had given a positive result, that is why we decided to focus this report on the Outer Hebrides, the case for which we have collected information robust enough to write the report.

**METHODOLOGY**

Our team contacted the local stakeholders earlier engaged for WP3 and WP4 (Task 3.1-4.1 and 3.3) to support this new stage of the field (WP4 Task 4.3) without any positive outcome. New contacts were activated despite the limitation caused by lockdown, particularly the strict travel restrictions, with key actors for the local economy and community. We tried and partially succeeded in generating a “snow ball” effect which relies mostly on dynamics of organic social networks (Noy 2008). Clearly, these conditions forced us to set our work solely on online and phone interviews instead of organising a proper fieldwork in presence, which would allow us to collect more contextual information (Yin 2009). The “face-to-face” type of interview allows to comprehend also the non-verbal communication, as well as to grab circumstantial information about the interviewees observing them in their own settings. However, online techniques have proved to be successful in replacing face to face work during the pandemic and lockdowns (Jowett 2020; Lobe et al., 2020). According to Quartiroli et al. (2017), the online interviews can facilitate the data collection because subjects can feel more comfort remaining in their private setting and not being disturbed by external factors or feel awkward in a neutral setting. Nevertheless, many issues can arise, such as asymmetry of power in transnational interviews, poor internet connection, languages barrier, difficulties in establishing a “bridge” with the subjects (Cin et al. 2021). To avoid these issues, the research team established connections with potential interviewees via email or through other participants’ personal networks (snowballing) to gain initial trust. We have extensively explained our research aims and objectives, provided the link to MATILDE website and to our personal academic profiles, ensured the absolute anonymity of the data collection and set online and phone

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meeting according to participants’ availability. Considering the timeframe of the interviewees’ work – notably in the fishing sector – interviews were collected during both working days and weekend.

Interviews have been carried out between March and June 2021. The UNIPR team members engaged with the local stakeholders and some of them agreed to participate in an interview. In seven cases, an informal conversation was preferred. Among the 14 interviews collected, four were on the phone and ten via Microsoft Teams video call. All interviewees agreed to record the conversation, in two cases it was not possible to record the interview for technical issues (bad connection and landline phone). All the interviewees provided their informed consent and were aware that their transcript or notes were going to be anonymised. After each interview, the researchers took time to debrief the meeting and then wrote a short interview report.

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**MATILDE REGION DESCRIPTION**

In this section, we provide information on the Outer Hebrides economy and effects of the British immigration policy on this local area.

The Outer Hebrides communities importantly rely on the primary sector that employs about one third of the workforce (31.1% of 13,200 people in 2020). (Highlands and Islands Enterprises, 2020)

Among this sector, the fishing industry provides about 10% of the local job positions. The Western Isles has the largest fleet of small vessels of any fishery district in Scotland and the total numbers employed in the catching sector have remained fairly stable in recent years (Highlands and Islands Enterprises 2021). The catching business provides around 680 positions and about 300 more in ancillary activities (of them 200 engaged in processing). Further 550 positions are provided by the fish farming16 (ibid.). At the national level, the fishing sector is a pillar of the Scottish economy; during the last decade, the value of all landings by Scottish vessels have consistently increased. At Scottish national level 2019, the sector registered a decline of 4% in tonnes fished (about 300,000 in 2019) but an increase 34% in value compared to 2015 (£513million in 2019 while

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16 Ibidem

www.matilde-migration.eu
£391 million in 2015). At local level, the Western Isles for the same period recorded a decline of 5% in tonnes fished (about 330 in 2019) but an even higher increase (56%) in the value (£16.4 million in 2019 while £12.5 million) (Scottish Government 2020). Of the eighteen Scottish district ports, Stornoway (that includes all the Western Isles harbours) was 9th for tonnage landed and 7th for the average value of tonnages landed (ibid). Provisional statistics at national scales show that in 2020 the effect of the pandemic on this sector was not very relevant on the tonnes landed (-1% from 2019) but significant on the generated value (-17%)17.

Among the primary sector, agriculture has also a relevant impact. Crofting, the traditional form of land-tenure for small food production cover about 77% of the Outer Hebrides land, distributed in 6,000 units, which provide less than 2 workdays per week to their occupiers18. Crofters cannot sell but only rent these lands19. This sector employs 7.8% of the Outer Hebrides workforce (Highlands and Islands Enterprises, 2020). Many crofters do contemporarily other activities. In 2019 Stornoway was the district with the largest number of crofters employed (26) in the fishing sectors, accounting for 67 percent of the total fishers in this category (Comhairle nan Eilean Siar - Western Islands Council 2021).

The public sector employed in 2011 more than 20% of the workforce (ONS) a data confirmed by the 2,200 people employed by the Local Authority in 2019 (ONS).

The high employment concentrations in agriculture and the public sectors, mitigated the impact of the Covid-19 pandemic: only 29% of the local total employment (4,575 people) work in the sectors most exposed to the economic effects of COVID-19 – this is lower than the regional average of the Highlands and Islands (41%) and then the Scottish national one (38%) (Highlands and Islands Enterprises 2020).

Nevertheless, Covid-19 has had a significant impact also on the Outer Hebrides economy. Gross Value Added in 2020 was estimated to fall by 9.4%, a relatively low decline compared to the

18 Ibidem
19 https://www.legislation.gov.uk/asp/2010/14/contents
national (-10.7%) and regional (-11.7%) changes. The accommodation and food service activities where the most affected. Before the pandemic, in 2017, the Outer Hebrides tourism sector hosted around 219,000 tourists per year, with a total average spent per person of £428, and for a total value of £65m (Progressive 201820). In 2020, the decline of the GVA for only the sector of accommodation and food service is estimated in £7.5m. Accommodation and food service activities in 2020 counted for 8% of the local employment, making the Western Isles less reliant on this sector than the Highland and Island region (12%) (while the national average is 8%) (Highlands and Islands Enterprises 2020). A recent survey on 1000 companies in the Highlands and Islands show how the general economic confidence and optimism is low, only 56% of the participants say it has increased in the last year. Since the first lockdown, 76% of these businesses had temporarily closed or paused their activities (Highlands and Islands Enterprises 2021).

In the Outer Hebrides, the unemployment rate doubled from July 2019 (2.4%) to July 2020 (5.7%); however, the local rate was below the national average (6.7%) (Comhairle nan Eilean Siar - Western Islands Council, 2021).

Alongside, it is important to consider the current demographic situation, and future perspectives, of the Outer Hebrides. On these islands, local population (26,720 people21) is widely spread (9 people per sq.km) and mostly concentrated in Stornoway (around 5,000 residents22); the average age (71.6) is higher than regional (65.6) and Scottish national (56.2) and estimations forecast a depopulation of 16% by 2043 (Comhairle nan Eilean Siar - Western Islands Council 2021). In 2018-2019 the Outer Hebrides migration balance was negative for the age groups 15-19 (- 57 people), 20-24 (-17 people), and 25-29 (-30)23 (NRS data, in Comhairle nan Eilean Siar, 2021). This

20 The Islands Visitor Survey 2017 was commissioned by Orkney Islands Council, Shetland Islands Council, Comhairle nan Eilean Siar, and VisitScotland to Progressive and MKA Economics. The aims of the survey were to gather on the one side views on a wide range of topics relating to the visitor profile and experience and on the other side information to estimate the volume and value of visitors, to inform tourism policies at a local and national level.


22 National Records of Scotland 2018.

23 These figures are intended as net migration (Communities Department Socio Economic Update No. 43 - Comhairle nan Eilean Siar - Western Islands Council)
confirms what many interviewees (WP4SCOT04 – WP4SCOT10) have submitted to our attention, there is an issue of de-population and loss of people in the working age (16-64) that cause the necessity to attract newcomer workforce.

Finally, as expressed by Spenger et al. 2020, UK migration policy does not consider the specific necessities of the Scottish region and local areas such as the Outer Hebrides. The British policy favours the entrance of TCN high-skilled workers and/or able to invest capitals in the national economy. After Brexit, key sectors that relied on UE migrants for “low skilled” positions, who could freely enter in the UK – permanently or seasonally – have faced significant challenges to recruit through the Tier points-based system. The Western Isles are considered the most vulnerable local authority in Scotland to Brexit. The Brexit vulnerability is based on access to services, share of working age population, income deprivation, population change, workers in Brexit sensitive industries, access to European funds like the European Regional Development Fund (ERDF) and European Social Fund (ESF), and EU worker migration (Highlands and Islands Enterprises 2021).
MIGRANTS, SOCIAL ENTERPRISE AND COMPANIES: COMMUNITY AND TERRITORIAL IMPACT

As in other European rural and mountain regions, a range of migration processes, resulting from the main drivers for movement (Kordel & Weidinger 2018), have been identified in the Western Isles, showing that even in very small number of migrants – in the Wester Isles according to the last census lived about 800 people non-UK born (2011, Office for National Statistics) – there can be high diversity of migration paths with significantly different community and territorial impact.

Therefore we will analyse those different types of in-migrations and their economic impact according to the reasons of their migration (Perlik and Membretti 2018). Firstly, “migrant by choice” (amenity/lifestyle migration) refers to people who decide to move to a place without being pushed by economic necessity or by the impossibility of remaining in their home country, but as life-style choice on the basis of the social imaginary (O'Reilly 2014; Kordel 2016). Secondly, migrants by necessity (labour migration) indicates those who choose to leave their country of origin to find better work opportunities. This category can be subdivided in two groups, those who settle down in another country – settled migrant workers – and those who travel from a country to another following the seasonal necessities for workforce – seasonal migrant workers. Thirdly, the last category includes the migrants by force (forced or humanitarian migration), who leave home for political, economic, and environmental reasons (Perlik and Membretti 2018).

MIGRANTS BY FORCE: THE SIRIAN REFUGEES

In the last five years, the Western Isles welcomed a small group of humanitarian migrants: eight families of Syrian refugees welcomed under the Vulnerable Resettlement Scheme, of which seven families still live in Stornoway (see Baglioni and Caputo 2021a, 2021b). Their route to employment and their direct contribution to the local economy is well known as they are accompanied in this path by the Wester Isles Council’s officers in charge of the programme. Two men among those families are currently self-employed, one as an artisan upholsterer and another as a barbershop (WP3SCOT09). Other five people had already training or studying experience.
through the Employability Fund placement; the Modern Apprenticeship; Department for Work and Pensions (DWP) work placement; OH-MEET placement. Moreover, two of them study or intend to study, and one has left their employment with the goal to become self-employed (data of the CNES Council). We could not interview these migrants nevertheless we could appreciate how despite the small number of families, their migration to the Western Isles and their economic activities in traditional sectors had an important **impact in terms of perceptions** of those islands and the migrant group. Some of those migrants had relatively high visibility on the different type media: televisions like BBC and Al Jazeera, national and local newspaper like the Guardian, Dailymail and Scotsman and social media (Twitter, Facebook) reported positively the story of those families, emphasising their economic and social integration in the local communities by describing their businesses and how their children already speak Gaelic, as well as their contribution to build a multicultural landscape in those remote areas by participating to the creation of a local mosque.

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MIGRANTS BY NECESSITY: HOW MIGRANTS ALLOW THE FISH INDUSTRY TO SURVIVE

Among the migration by necessity, we describe a heterogeneous group of migrants and migration paths, all with a determinant impact on the local economy but different territorial and community impact.

Firstly, we appreciated the role of **temporary migration** that in the Western Isles often take the form of returning migration as labour force is precious and according to our interviewed employers, they are incline to pay for workers travels (WP4SCOT11).

In the case of **labour migration in the fishing industries** – fishing and fish farming – the recruiting has been done outside the Western Islands for the last 20 years, this seems to be understood in relation to the **decline of the working age population** in the Wester Isles (WP4SCOT07) but also to the mismatching of the skills between locals and job opportunities (WP4SCOT11). Thus, migrants’ contribution on this sector is crucial, “without them this industry would have closed” (WP4SCOT07). In the port of Stornoway three out of seven vessels are for sale, of them two for lack of labour force (WP4SCOT11). The fishermen were recruited in the Philippines.
until four years ago, currently the crews are notably Romanian (WP4SCOT07,11). The latter seemed to follow a **returning migration pattern**: they return home generally for a couple months then come back for two to seven months. The contribution of those seasonal migrants to the local fishing economy was strongly stated by the interviewed employers and experts (WP4SCOT07,11) while it is complex to appreciate their impact to the local communities as their migration experience seems precarious (Lewis et al. 2015). Few elements arose in this sense from our interviews: they do not formally learn English while living in our region as they cannot participate in ESOL classes as the working hours in the fishing sector do not allow it (WP4SCOT07,11,12); as a gendered migration (only men) and transient or cyclical migration, migrant families remain in the country of origin; informal accommodation – notably living in the same vessels (WP4SCOT07,11) or caravans is common. Furthermore, social marginality was described by an interview also in relation to alcohol addiction and inappropriate behaviour (WP4SCOT11). Finally, it is relevant to add that Brexit could potentially change the structure of the migration and led to a sedentism of those workers, as in the case of a Romanian fisherman interviewed who was currently looking for a house to rent and was preparing the Home Office application to bring his family to the Western Isles (WP4SCOT12).

A more appreciable impact can be described of the **migrants in the fishing industry who settled** in the Western Isles. This is the case notably of the fishing entrepreneurs and of migrants employed in the fish factories.

Among the **migrant entrepreneurs** two brothers who came from a European country (before it joined the European Union) with a work permit, pushed by the economic situation of their country at that time. They worked in the local fish factory and they could afford their first vessel five years later. The vessel was paid with few saving (less 5%) and notably a loan from the fish factory, the council and a local bank and the support of the local Fishermen Association, showing on the one side the trust of the local community in those two migrants and, on the other side, the awareness of local community of their **key role for the survival of the local economy**.

“The owner of the factory said that if we would not have bought the boat at that time, the first boat, probably the company would not exist anymore. At the beginning the company was employing maybe 10 people all together, and just now
the company is employing around 30 people. That is the difference between that extra boat being fished or not being fished because that boat was a local (one) that a fisherman wanted to sell. And if that boat would have gone somewhere else, on another market, and would not supply those scallops to that factory, it would not have enough supply to carry on. And later we got that bigger boat [a brand-new vessel costing more than 1million pounds and very fuel and time efficient] and we supplied even more scallops and that allowed the factory to grow” (WP4SCOT09).

With a fishing business that obliges to spend about 200 days at the sea per year their participation in the social events is rare, nevertheless the interviewee expressed satisfaction about his relations with the local community, making a parallel between the small village they came from and the remote island they live now. “We are happy with people surrounding us (...) You do not have many people to choose from, you just keep good relations with people that are important to you” (WP4SCOT09). Finally, it seems relevant to report that even before we managed to collect this interview, at least five interviewees (solicited in the last months for both WP3 and WP4) told us about the two migrant fishermen brothers. In a perspective that mirrors in some way the description of the mediatised Syrian resettlement families, those two brothers seem to us to represent the “successful migrants”.

Among the settled migrants whose migration was pushed by necessity, there are the workers of the fish factories, principally Europeans who “have made home here, bought a house, integrated in the community” (WP4SCOT07). Most of those migrants had ESOL classes and speak English fluently, some had their children on the islands who go to local school. Their impact on the local community is relevant, they contribute to lower the average age of the local population by settling and having children – as explored through two migrant women’s biographies for the assessment of the social impact (Caputo and Baglioni, 2021b). Their contribution to the sustainability of the local services is highlighted as well by the recent interviews “If that people would not have come, school would have closed” (WP4SCOT07) with benefits for the community as a whole, confirming our previous analysis. Brexit seems to not affect directly those migrants who likely hold a Settlement status or British citizenship. Differently from the seasonal or returning migrant of the fishing sector we could appreciate that a relevant portion of those migrants could access public housing (WP3SCOT05).
Finally, the migrants by choice are a heterogeneous group of people who moved to the Outer Hebrides attracted by the imaginary of those islands and/or because interested in the local culture. This category includes notably both EU migrants as well as TCNs arriving from the global North. “Their relative symbolic capital (incorporating educational, cultural, and social capital) impacts on the decision to migrate and the destinations chosen, but also the life then led in the destination” (Benson and O’Reilly 2009, p.618). The majority of the migrants interviewed had high cultural capital - three out of five interviewees had a University degree or were currently doing a career in academia (WP4SCOT04; WP4SCOT10). All of them spoke English fluently, some had a specific interest and knowledge of local culture and language that was a determinant for choosing to migrate and live there (WP4SCOT10) and this contributes to their integration in the local society.

“Working for an association dealing with indigenous culture, it is a very good way to be integrated in a local culture” (WP4SCOT10).

“People warmed to me more because I spoke the minority language” (WP4SCOT10)

Four out of five interviewees had either high economic capital or social capital that simplified their access to housing, one of the key issues for the migrant population arriving to the Western Isles (WP4SCOT05,06,10). At the moment of the interview, all our interviewees were living in the Southern, more remote and less inhabited islands. Two of them were entrepreneurs in the food and in tourism sector, two were freelance workers, one was a seasonal migrant.

The representation of the remote islands is fundamental in understanding their migration as well as a previous experience of living in a metropolis and the research of a better quality of life (Benson 2012).

“For a sabbatical year, with my wife we played the game of the globe to decide where to go (…) After a year [here] it was impossible to think about leaving. It is because here you can breathe pure air; this includes not only the landscapes but
also the people (…) we feel welcomed in a truly familiar way by everyone and, obviously, the contrast with (a big city) is striking (…) What sense of freedom here! What tranquillity! and there is no pressure [the comparison was with the other society where they previously lived]" (WP4SCOT06)

“I was working in the supply chain in (a large city) and one day I came home and my wife say ‘Do you love your work? Why don’t we start something different?’ So, (…) we looked for a potential hotel in a place where we could restart and we decided to buy this one in the Western Islands” (Interview WP4SCOT04).

“I chose the Outer Hebrides because I was here 35 years ago for backpacking and I remained impressed. I remembered this as a place of serenity and tranquility. So I moved here two years ago because it is possible to appreciate the beauty of the nature and feel welcome, we came here as a rejection to the city lifestyle”. (WP4SCOT06)

On the one side, these three extracts show a similarity between non-UK migrants and the internal migrations to the Western Isles as described in previous interviews (WP3SCOT11; WP3SCOT15). In those interviews emerged a recent trend, that has been exacerbated by the Covid-19 pandemic, of British urbanites closed to retirement age, moving to the Outer Hebrides. According to our interviewees, this internal migration has a negative impact on local services as it contributes to the ageing of the local population and on the housing market, as it increases the price of the propriety consequently the arrival of migrants with large capitals (compared to locals and notably young people) after the sale of their previous propriety in the city (ibid.). This aspect can find confirmation in the literature (Somuncu et al., 2019; Thompson, 2019). On the other side, non-UK migrants by choice to the Outer Hebrides seem to represent a more heterogeneous group, with young and middle-aged people being proportionally more represented in our interviews (three out of five).

These migrants are also able to generate a social impact in their hosting community. One of them (WP4SCOT04) owns an hotel that also functions as local bar while another (WP4SCOT05) has opened a firm for homemade food production and shares with the local population their country of origin’s pastries. These two examples show how migrants’ enterprises create also a
physical space for encounter between migrants and local and allow migrants to share cultural traits of their country of origin with the local community with effects in terms of multiculturalism.

Furthermore, our interviews also showed that for non-UK migrants the categories of migration by choice and by necessity can be quite porous. Those migrants seem to choose the Outer Hebrides for both the need to find a job and out of curiosity about a ‘different’ place that can guarantee them a high quality of life.

“Personally, I have travelled in my life… It happened that, looking for a job in 2012 I arrived to this place that for me was new. I actually took the chance to go to pleasant places and I travelled to the Outer Hebrides and other places in Scotland, like the Orkneys, doing all sort of odd jobs like scallop fishing” (Interview WP4SCOT09).

Accordingly, among those migrants ‘by choice’ there is strong awareness of the need – in order to remain – of being adaptive and accept to work in the sectors of the local economy and in the positions who are available. Those interviewees with university degrees stated their wish to remain in the Islands even if this would mean not to access the work they wished or the one they could obtain in urban areas like Edinburgh or Glasgow (WP4SCOT10) and that they are flexible to change career and entre the local industries, notably fishing (WP4SCOT06). And at least two of them were already working in different positions (WP4SCOT05, WP4SCOT10).
Migrants have a fundamental role in keeping alive the economy of the Outer Hebrides; local companies have adopted various strategies to attract them and organising their functioning in order to facilitate migrants’ settlement on the islands. Despite these strategies, local firms have to compete with the UK mainland wages and commodities to keep workers on the islands (WP4SCOT04). We refer here to organizational changes as “the reweaving of actors’ webs of beliefs and habits of action as a result of new experiences obtained through interactions” (Tsoukas and Chia 2002, p. 570).

THE RECRUITMENT OF THE WORKFORCE: CALLING FOR WORK IN A REMOTE PLACE IN THE TIMES OF COVID-19 AND BREXIT

In the Outer Hebrides, it is a major challenge to attract migrants to work in the local economy to respond to the structural lack of working age population product of the out-migration and of the mismatch of skills and offers. An interviewee reported that in the 1980 there were about 30 vessels in the port of Stornoway while today only seven, two of them are currently on the market for the lack of fishermen (WP4SCOT11).

To respond to this challenge, local firms tent to diversify their recruitment channels and use a wide range of solutions to advertise their open positions. These channels can be both formal – such as professional agencies and online advertisement in specialised website – or informal, recurring notably to the migrants’ networks. An interviewed migrant worker (WP4SCOT10), described how they found job opportunities in the Western Isles. “My recruitment happened through an online scheme run by the [a regional organisation], a graduate placement scheme where I found the advertisement” (WP4SCOT10). Another migrant described to be recruited through a scheme advertised in his university to work in agriculture (WP4SCOT09). In the previous report, we described the recruitment of two women for local fish factories through an agency and how one of them and her partner – working for years in a fish factory and now in a position of
responsibility in another organization – acted as a bridge to recruit new workers among co-nationals (Caputo and Baglioni 2021b). The manager of two fish factories confirmed the use of migrants as brokers to hire other migrants (WP4SCOT08,14), and one explained that this was also because in that way the arriving workers would know better the type of work and the flexibility that it requires (WP4SCOT08).

An interviewed entrepreneur in the tourism sector explains that they use to do job interviews via phone or video call, then s/he invites the selected worker to move to the Western Islands for the season (WP4SCOT04). “My partner does the phone interviews to select workers. They used to come from all over Europe and tended to be young people in their 20s” (WP4SCOT04). Interviewee WP4SCOT04 used to maintain contacts with seasonal workers who demonstrate good working skills as, according to the subject, the local education system does not prepare for these occupations (e.g. waiters and housekeeper for hotel), therefore they developed their own networks of workers who seasonally return to the Outer Hebrides. This migration pattern characterised by returning migrants have been found also in the fishing sector where some employers pay for migrants’ travel (WP4SCOT11).

This situation has changed in the very recent years because of Brexit and the global pandemic. Covid-19 has imposed strong restrictions that have compromised tourist business stability – e.g. an entrepreneur (WP4SCOT10) described the pandemic as a barrier for the development of their business – and determined the reduction of external workforce for the holiday season. Brexit has been indicated by interviewees in different sectors as a major barrier to hire new workers or recall returning migrants.

“Because of Brexit we could not call back one of the best waiters we had in the past years because of the bureaucracy.” (WP4SCOT04)

The fishing sector is facing similar challenges. Migrants’ networks are the main ways to recruit new workers (WP4SCOT11, WP4SCOT14). In recent years, the recruitment of new fishermen was among European migrants and notably Romanians on the basis of migrants’ personal networks and potentially in the same region of origin as a skipper stated “we drained the all village” referring to the fact that there was anyone left among the migrants’ networks in the country of origin to potentially being recruited (WP4SCOT11). The fishermen employed before 2021 – all of
them following a returning migration pattern could apply for the Settlement Status and can continue to work for the local vessel and travel back to their country of origin for some periods (WP4SCOT07,11).

Nevertheless, Brexit will have significant consequences on the recruitment for the fishing sector as, according to the interviews, it brought two main organisational changes. Firstly, it will be impossible for new workers from the same country arrived after December 31st 2020 and currently living in the Western Isles to obtain the Settlement Status (Caputo and Baglioni 2021a; WP4SCOT07,11) so that they will need to return to their country after the 30th June 2021; secondly, it contributed together with the Covid-19 pandemic to the migrants’ decision to return indefititively to their country of origin (WP4SCOT07,11). This decision has dramatic consequences for small fishing businesses as, on the one hand from December 2020 they cannot recruit Europeans freely as they used to do and, on the other hand, they will not be able to recruit neither through other schemes.

In fact, until four years ago, it was possible also for small vessels to recruit fishermen among TCNs and notably from the Philippines. Those migrants were described as very desirable employees as already skilled (WP4SCOT11,14) and committed (WP4SCOT11). No Philippine fisherman has arrived in the past four years according to our interviews (WP4SCOT07) and the previous migrants were generally not remaining and neither returning as they were gaining in one season enough for a good life in their home country for some time, nevertheless they were a point of reference for new recruitments (ibid.). Since 2021 they can be recruited again under the Points-Based Immigration System (WP4SCOT07) and some of the fishing boats applied as sponsors with the support of the local Fishermen Association, however the small companies cannot guarantee the fix salary that is requested for the Visa, so they are excluded by this recruitment opportunity (WP4SCOT11).

ACCOMODATION PROVISION AND INFORMAL HOUSING

In the context of the scarcity of accommodation and with 40% of the local stock destined to the tourism industry (WP3SCOT11,15), the employers in the Western Isles need to provide
accommodation for the arriving workers or helping them in finding one. As one interviewee (WP4SCOT10) explains, employers who open a job position in the Outer Hebrides have to be prepared to provide this support.

“Most of the organizations on this island would be in the position to make an attempt for arranging an accommodation. Nothing is really advertised so it is the organization that would make the accommodation.”(WP4SCOT10)

Accordingly, another interviewee (WP4SCOT05) confirms that without the employer’s help they would not be possible to find a house. An online search on main real estate websites confirms the shortage of houses for rent; on five websites, consulted on the 18.06.2021 it was possible to find only three solutions in all the Western Isles. Social rented houses can be available for migrants who are settled (WP3SCOT16) but they do not help resolve the housing problems of seasonal migrants (WP4SCOT04). Furthermore, because of the dispersion of the territory of the Council, the social rented houses may not be located in the islands where the migrant works and lives, e.g. all the current vacancies are in South Uist.

The accommodation sector, particularly hotels, can resolve this problem reserving a certain share of their properties as residences for workers.

“We provide accommodation at the hotel, if migrants want to rent their own house it will be much difficult because there are not many properties available and those available are expensive, because the majority are short-term rents for tourists.” (WP4SCOT04)

In the fishing sector, temporary solutions, such as the adaptation of the vessels as dormitory for the seasonal workers fulfil the necessity to provide accommodation (WP4SCOT08). Vessels can be “temporary” accommodations for periods as long as few years according to some


25 The local council no longer has council houses. All council housing stock was transferred in 2006 to a local housing association, the Hebridean Housing Partnership, whose vacant properties were consulted on the 18th June 2021 at the https://www.hebrideanhousing.co.uk
interviewees (WP4SCOT11,12); while others pointed out that the vessels cannot be full time accommodation as they are generally too small and it is needed for the fishermen to live onshore when he is not working (WP4SCOT14). Literature underlines that allowing migrants to live in the working place is a common practice in the primary sector to reduce costs, ensure the permanence of workers and keep a constant control on them (Sanò and Piro 2017; Lo Cascio and Perrotta 2019); nevertheless we think that this perspective needs to be crossed with migrants’ agency. In fact, in the interviews it emerged how **migrants’ accommodation outcome was elective to a certain extent** and it did relate to their will of integration and on to their will to make saving for remittances (WP3SCOT16). In this sense, for example, a fisherman interviewed lived for a few years on the vessel, then in a shared flat whose inhabitants where mixed migrants and Scotsmen while now that his family is planning joining him, he will move in a house (WP4SCOT12).

An interview also remarked the need for the local economy of larger provisions of social rented houses and accommodation for seasonal workers and called for action in this sense the local Council (WP4SCOT14).

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**ADMINISTRATIVE SUPPORT AND TRANSLATION**

Along with the support in looking for housing, many interviewees among both employers and employees (WP4SCOT7,8,10,11,12) explained to us that **local business often provides informal help and support** to foreign employees.

From an entrepreneurial perspective, this can be linked to the **desire of keeping workers** which is a fundamental task for businesses in the Outer Hebrides as workers are not easy to be replaced in a remote area and in order to not lose the resources and the time invested for their training or for their travel to the Western Isles (WP4SCOT04,11). Therefore, to ensure their permanence it became a necessity in different sectors and in favour of different types of migrants to accommodate their needs even if not-work related (WP4SCOT04, WP4SCOT08, WP4SCOT11). This includes for example helping them with collecting the necessary documentation to rent a house (WP4SCOT12) or to provide the necessary evidences to apply for the EU Settlement Scheme (WP4SCOT11).
Nevertheless, such an utilitarianistic explanation needs to be mitigated as it can be understood also in the general context of the **informal support and of the community cohesion** that we explored in the previous report (Caputo and Baglioni 2021b).

Support and flexibility has been also highlighted in relation to the language barrier with the use of translators and of translations and notably the support of conational workers as translators, on issues like safety (WP4SCOT08) or to explain the work tasks (WP4SCOT08,14). The language issue seemed less relevant in the interviews with the skippers as on the vessel, according to a skipper, the actions are simple (WP4SCOT14) and the migrant fishermen know enough English when they arrive to communicate (WP4SCOT11). We could not explore if translators and/or translations are provided also in the safety courses required to join a fishing crew.

Finally, from the mentioned interviews it emerges the local entrepreneurs’ interest in the migrants’ understanding of the work tasks and of the safety notices and that they try to adjust to a migrant work force by providing translators/translations or by mobilising the co-nationals.

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**MIGRATION, GENDER AND FLEXIBILITY IN THE WORKING HOURS**

The question of **flexibility of working hours** has been discussed as an important issue by the interviewees in particular those working in the fish industry. It concerns the difficulty to forecast the needed working hours in both the factories – as they are dependent on the arrival time of the vessels and on the amount of the fish or shellfish caught (WP4SCOT08) – and in fishing boats, which depend on sea conditions and other variables.

We should add here that the fishing sector was portrayed by two interviewees – one working in another sector (WP4SCOT04) and another previously working as a fisherman in another region of Scotland (WP4SCOT13) – as based on the exploitation of migrant labour in terms of working hours, as the wages are largely based on the caught. The former fisherman described this activity as risky, skilled and more profitable than his recent job in the tourism sector. Their experience in the scallop fishing can be described as ‘self-predatory’ on their own body – a category used in precarious working contexts in which the uncertainty about the consistency of the caught
or harvest leads to the self-exploitation which occurs in the contexts of illegal work in agriculture (Garrapa 2016, Lo Cascio & Perrotta 2019).

Stress on the important amount of time spent at the sea has been put also by migrant and local skippers as well as by migrant fishermen (WP4SCOT09,11,12), both directly and indirectly. For example, hard working hours were among the reasons for not being able to participate in the interview (WP4SCOT09) so that one interview was collected while the person was at the sea (ibid.); and long working hours were also among the reason for not being able to participate in the ESOL classes (WP4SCOT12). However, we cannot confirm the previous analysis on the “self-predatory activity” from the interviewees collected for this report that took place among small companies with no more than three employees and where the employer worked as well on the vessel.

Finally, in one fish factories, flexibility in the working time was described by a manager as benefiting both the employer and the employees. On the one side, flexibility is required by the need to process the fish brought in the harbour by the arriving fishing vessels and it has been described as a major reason to employ migrant workers, as “locals on Friday want to go home at 5 o’clock” (WP4SCOT08). On the other side, the company, who prefers to employ female workers allows flexible working hours, for example some workers arrive later than the fixed time to bring their children to school but they work additional hours on Saturdays (ibid.). The second fish factory studied employs an equal share of male and female workers nevertheless it is using the same flexible schedule for their workers. The manager interviewed pointed out the need of improving the child cares provisions (WP4SCOT14).

AMENITY MIGRATION AND DIGITAL NOMADS

A particular innovation, not related to local organizations, is the potentiality of the Outer Hebrides as hosting place for “digital nomads”. This term refers to those professionals who can work online from remote and do not need to be in an office and can constitute an interesting change in the migration. This new trend can significate a concrete chance for rural and mountain area revitalization (Bürgin and Mayer 2020). Despite this is not a change or innovation within an organizational structure, it can represent an evolution for the local economy welcoming a new
form of work. According to one of the interviewees (WP4SCOT06), the Outer Hebrides represent the perfect setting for this type of migration because they offer peace and quiet.

Another interviewee (WP4SCOT10), who used to work from home even before lockdowns, sustain that the islands can be a good place for this new type of work. Although the Western Islands can be a good destination for digital nomads, it is also important to stress a caveat regarding their presence; as Thompson (2019) sustains, digital nomads tend to gather together in places where they can maximize their demographic privileges.
Information from the public sector, previous reports, and desktop research shows how this MATILDE area has a vital need of migrants to sustain its economy – mostly based on fishing and tourism – but it has to face the immigration restrictions imposed by national government.

Remote areas have to adopt a holistic strategy regarding the goal of attracting newcomers; this means that the strategy must have a more complementary view on what these territories offer to migrants. It is not just a matter of job availability – although for the Outer Hebrides it is more a matter of filling in gaps of necessary workforce rather than creating new job positions - but also housing affordability, resources for local development, and services (Glass et al. 2020). Furthermore, we have to consider that the revitalisation of rural areas also has to pass through an adequate national policy framework along with dedicated resources (Merino and Prats 2020), as well as, through bottom-up initiatives for their sustainable development (Rennie and Billing 2015).

Generally, results from the fieldwork show migrants’ economic relevance because (a) they help key local sectors – fishing above all – to stay alive, (b) they open new businesses that contribute to local development, and (c) they can mitigate the de-population process, thus, increase numbers in local populations to keep public services open and sustainable.

It is fundamental to acknowledge the differences among categories of migrants in the Outer Hebrides. As explained in section 2, this report frames results through three diverse categories: *migrants by choice*, *migrants by necessity*, and *migrants by force*; the migration experience of each group is different from the others.

The beauty of the natural landscape and the fascination of remoteness have attracted the *migrants by choice*; they are mostly from Western countries, speak English fluently, and have high-level education (digital nomads are in this category). These elements allow them to more easily generate social capital with the community, converting their cultural capital, such as high-level know-how and working skills into social connections (Bourdieu 1986). This allows them to find solutions and resources for their integration. This category presents an idea of the Outer Hebrides as a remote area that needs support for the implementation of a circular and regenerative economy, of both endogenous tangible and intangible resources. This approach is in line with the
image of remoteness and the idyllic idea of cohesive community, in which there is no competition for resources and where “migrants” are welcomed without difficulty.

*Migrants by force* are constituted by seven families of refugees from Syria. They seem to integrate positively - socially and economically - in remote communities with the support of the local authorities. Since their arrival at least one person in each family has had a work or training experience, two people are now entrepreneurs and one is currently preparing to became one. This outcome – from a numerical point of view – seems to us very positive in comparison with the same population in the other Local Authority directly analysed (North Ayrshire). However, we could not explore this further as we could not yet interview any refugee living in the Western Isles.

Finally, *migrants by necessity* arrive to the Outer Hebrides by word of mouth from compatriots or online/phone recruitment. Open job positions attract them particularly in the fishing sector where those workers are considered indispensable for the continuation of fishing and processing activities. Small export-oriented companies are the main actors of this sector. Migrants by necessity can have very different paths. Some of them, notably among those who are employed in factories, settle and integrate in the local communities. They access ESOL classes and in doing so better their condition by accessing new work opportunities, some in the same company, others in the public sector (WP3SCOT03,05), or in some cases explored in this report by starting their own company. Those companies and therefore migrant entrepreneurship seem to be a key factor for the survival of the local economy.

Some migrants are seasonal (they come for the summer season) or they live in the Western Isles nearly yearly but they never actually settle there and travel back to their home country for a couple of months or more, periodically. Their access to services and opportunities – notably ESOL, housing, and new job opportunities – seems more difficult and their language skills can work potentially as a barrier.

Differently from other remote areas, where housing price affordability is a ‘push’ factor to move to these places (Perlik and Membretti 2018), migrants in the Outer Hebrides have to deal with a scarcity of affordable accommodation, both to buy and to rent. *Migrants by choice* – including those from the UK mainland have the economic capital to enter the real estate market. Other migrants, as well as those locals who decide to return to the islands, need social capital to
open the market and find accommodation in the non-advertised pool of available houses. This includes migrants’ networks. In the case of *migrants by necessity*, those who settle can rely on those migrants’ networks and in the long term on social rented houses, as described previously (Baglioni, Caputo 2021). Among seasonal or returning migrants we found some situations of informal housing – notably by staying on fishing vessels – whose living conditions we could not explore. The lack of available accommodation is a challenge for the Outer Hebrides economy because it does not favour the arrival of workforce in the key sectors of the local economy.

We could comprehend how Western Isles employers need to step in to respond to migrants’ needs in order to attract and maintain the labour force. Notably, by supporting the workers in their research for accommodation, travel expenses, administration and allowing flexible hours for childcare. Furthermore, enterprises that need to hire migrant workers will now have to face the migration restrictions imposed by Brexit to EU citizens. This has had a consistent repercussion in terms of workforce attainability, which was already an issue for these islands. For example, in the Scottish fishing sector, which was one of the more supportive for Brexit, only large-size vessels can nowadays afford the costs to call migrant seasonal workers on the islands, obliging many small-size vessels to put their assets on the market.

In conclusion, migration to the Outer Hebrides is not a one-face phenomenon; instead, it presents diverse features with different economic impacts. The main findings are the awareness of the need of migrant workforce and entrepreneurship for the survival of the local economy of the islands; the consequent efforts of the employers’ and of the larger community – local and migrants – to attract and retain migrants and support them in their path to entrepreneurship, including here also the refugee population; the challenges of Brexit and the pandemic to this already fragile system, notably in the recruitment; the role of the amenity migration to those areas that is not a new phenomenon but in era of global pandemic and of the digital nomadism we expect to increase.

In this sense, this report shows firstly the need for British migration policies to take into consideration the specificities of those remote regions and tailor policies to allow the sustainability of those communities’ economy. Secondly it shows that key challenges need to be addressed also
at local scale, notably intervening in the issue of the housing stock availability in order to support employers and ensure adequate living conditions for migrants.


Comhairle nan Eilean Siar, 2021. Western Islands Council. Communities Department Socio Economic Update No. 43.


