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Economic and social impact of COVID-19 pandemic on immigrant entrepreneurship in Rome: threat VS opportunity

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Abstract

Summary: The aim of the current research is to assess the socio-economic impact of migrant enterprises and their resiliency capacity to the COVID-19 crisis. With the purpose of highlighting also the social dimension of the pandemic, the research analyses different areas affected by COVID: employment, economic growth and innovation, economic relations with local communities. The study consists of different stages:

1. Mapping of migrant enterprises in the City of Rome
2. Survey by means of a structured questionnaire
3. A multivariate cluster analysis.

Thus, the research measures the socio-economic impacts of migrant enterprises and defines resilience strategies deployed by migrant enterprises in the fight against COVID-19, as well as the emerging needs induced by COVID-19 crisis. Finally, this study aims to support public local authorities to promote sustainable, participatory and inclusive economic growth, enhance diversity as a source of innovation and encourage SMEs to promote migrants' inclusion.

Keywords: socio-economic impact, migrant enterprises, female enterprises, resiliency.

CLAVES ECONLIT: D22, J15, J19.

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Expanded abstract

Objectives

In recent years, the start-up of entrepreneurial activities by foreigners has recorded strong growth. At a national level, already in 2020, 621,367 thousand enterprises out of the more than 6 million operating in Italy are led by foreign-born subjects (Unioncamere, 2020). In other words, one out of every ten businesses is created by immigrants, and the constantly growing trend reinforces the value of this figure, confirming the incidence of immigrants in the national productive fabric. The phenomenon is most noticeable in the large cities, which are obviously more attractive. It is no coincidence that Rome, Milan, Turin and Naples are the top four provinces for the number of immigrant businesses in Italy: Rome (70,898), Milan (58,316), Turin (27,175) and Naples (25,029).

For the post COVID-19 economic and social recovery, enterprises play a fundamental role: they are called upon to find innovative and lasting solutions to mitigate the effects of the crisis. Many of them, in order to survive, are now called upon to structurally change their business model and differentiate their market. Moreover, the sector has already demonstrated in previous economic crises that it is highly resilient and resilient. For example, after the economic shock caused by the 2007 crisis, companies managed by migrants showed a proportionally higher degree of solidity than Italian companies (Ambrosini, 2012).

The present study represents the development and further investigation of the research "SECMER: The socio-economic contribution of migrant entrepreneurs in Rome". The objective of this research is to describe the characteristics of migrant enterprises, with a focus on women enterprises, and to highlight through a scientific tool, the potential economic and social impact on the communities of reference. In addition, the research wants to investigate the economic and social impact of the COVID-19 pandemic on migrant entrepreneurship, with a gender focus, its resiliency, as well as the strategies adopted to cope with the crisis, thanks to an update of the survey on 40 enterprises carried out in July 2021.

To this end, the theme of social enterprise has inspired the design of our model for measuring direct and indirect socio-economic impacts on the well-being of local communities. The research is part of a broader programme to identify and select migrant enterprises with a high social impact, based on "key factors", in order to offer a participatory path of "continuous improvement" that will be based on exchange of experiences, training, strategic advice and promotion.

Keywords: Socio-economic impact, Migrant enterprises, Female enterprises, Resiliency.



1. The role of migrant enterprises and in particular female migrant enterprises

In its continuous evolution, the phenomenon of immigrant entrepreneurship has been the focus of numerous studies aimed at illustrating how and why immigrants have undertaken entrepreneurial initiatives, the factors of success and their characteristic elements.

Recent research in economic sociology considers migrant enterprises both as a tool for inclusion in the host society and as an economic entity that contributes significantly to the local economy. Some of these economic effects may concern the creation of new enterprises also by local citizens, the diversification of production, the contribution of added value to imported goods, the export of advanced services (such as legal and technical advice, etc.). The cultural diversity of migrant entrepreneurs stimulates creativity, brings new skills and creates innovative market opportunities in host communities. (ICID, and AICS, 2017, 22) .

In this vast literature, developed more in the Anglo-Saxon and Northern European context, women have not received much attention.

On average, migrant female enterprises, like female enterprises in general, are small, recently established and operate in the service sector. However, for example, the aspiration to independence as a motivation for entrepreneurship is much less dominant in ethnic women entrepreneurs than in general women entrepreneurs. In terms of the perceived obstacles to entrepreneurship, ethnic women entrepreneurs are affected by language difficulties and the lack of education in the country of establishment (Baycan-Levent 2010:231).

Some other food for thought comes from the statistics on the level of education: on average, women entrepreneurs in Europe are better educated than male entrepreneurs. While the percentage of college graduates among men and women is similar, the percentage of female entrepreneurs with a more advanced education path is higher (Global Entrepreneurship Monitor Italy 2018:19). Therefore, it seems legitimate to assume that the level of education encourages migrant women to choose the path of self-employment.

In recent years, a number of studies have been trying to explore the contribution that women can give to a more equitable and efficient development pattern.

According to some studies, women entrepreneurs are more socially responsible: they demonstrate a greater ability to pay attention to stakeholders, both internal and external to the company. 62% of female businesses adopt at least 2 out of the 3 behaviors considered socially responsible such as attention to the welfare of employees, relationality with local stakeholders, and relationality with customers (Unioncamere 2019:4-5). This socially responsible oriented behavior can be an element of competitiveness for migrant female businesses.

The results of numerous studies show that immigrant women entrepreneurs represent a potential source of economic growth: they grow faster than the businesses of native women or



immigrant men, develop transnational activities and expand their economic ties not only to their countries of origin but also to other destinations, thereby fostering international trade. Women entrepreneurs of immigrant background are not only creating jobs for themselves, they also stimulate job creation by hiring other employees, and often offer employment opportunities to other migrants (Baycan-Levent 2010:235).

Other studies have focused on assessing forms of contribution different from economic contributions made to host societies by immigrant women entrepreneurs. Significant involvement in various community organizations engaged in voluntary activities has emerged (Ambrosini 2017:24).

The comparison with the existent literature on female migrant enterprises leads to the point that, however, the topic of socio-economic impact of women's enterprises has still not been explored in depth.

An objective of the empirical research in this paper is to give a contribution to fill this void by going deeper into the evaluation of the potential economic and social impact of enterprises managed by immigrant women and their resiliency capacity to the COVID-19 crisis.

2. Migrant enterprises and Covid in Italy and Rome

The Italian entrepreneurial fabric is characterised by small and medium-sized enterprises, which account for between 70 and 90% of the total, depending on the criterion used to define size. This characteristic has represented a fragility of the system in the face of the shock of the pandemic.

ISTAT's 2021 Competitiveness Report found that at the end of 2020, 32.4% of companies considered their survival in the first quarter of 2021 to be at risk due to the fall in domestic demand and the resulting liquidity crisis. Also according to this research, size is a fragility factor: 45% of small enterprises (defined as enterprises with between 3 and 49 employees) run a 'structural risk' in the face of an exogenous crisis. Almost 60% of them adopt staff reduction as a mitigation strategy, a share that drops to 26% of companies with 50 or more employees. (ISTAT, 2021).

In the context of Rome, the 'Indagine Congiunturale di CNA di Roma' (2021) shows how in 2020, following the first lockdowns and the very uncertain outlook on the developments of the pandemic, the crisis affected mainly small enterprises (from 2 to 9 employees) with a significant reduction in turnover and employment. The strategies most used to mitigate the negative impact were: digitalisation (59%), staff training (42%), creation of websites and strengthening e-commerce (41%) (CNA Rome, 2021).



If, in particular, we focus our attention on migrant businesses, which at the national level have shown a remarkable and constant growth over the last ten years, in the two-year period 2019-2020, their number continued to increase even if at a lower rate than before. This category of firms would seem to react better to external shocks, although this is an assertion that would require further verification (Melis 2021). In any case, according to Unioncamere data (2020), in the Lazio region even during the first half of 2020 there was a positive balance of about 1,000 migrant enterprises with a growth rate of 1.2%.

3. Methodological aspects of empirical research

The research "SECMER: The socio-economic contribution of migrant entrepreneurs in Rome", carried out in 2019 by the éCO Cooperative and the Faculty of Social Sciences of the Pontifical University of St Thomas Aquinas in Rome, produced a mapping of 493 migrant businesses operating in the territory of the Municipality of Rome, of which 74 Ukrainian, 39 Moldovan, 126 Romanian, 187 Albanian, 9 Ecuadorian and 58 Peruvian, as one of the most present communities in the city of Rome. The analytical model that guided the entire research project consists of a set of indicators organised in three sections: the first describing the Profile of the entrepreneur (personal characteristics, migration project, entrepreneurial path and development expectations), the second describing the Registry Profile of the enterprise legal form, number and nationality of members, years of activity) and the last describing the Socio-economic Profile of the enterprise (the impact on employment, the impact on economic growth and innovation, the effects on economic relations between the host country and the country of origin and finally the impact on the territory and local communities) (Kostyuk 2019).

Through this articulated set of indicators we captured the following aspects: the employment impact on the reference territory, the quality of the employment offered, the training capacity of the enterprise, the social dimension of employment, the protection of disadvantaged groups, the supply, economic and development dynamics of the enterprise, the contribution made by the enterprise to innovation through the introduction of new products or services, the origin of the goods and the markets involved in the economic flows, the role of remittances as a "social" instrument of the enterprise, the propensity to foster new networks of relationships, to intensify collaborations and the integration of businesses horizontally or vertically.

Given the strong focus on issues of socio-economic impact, it seemed natural to attempt to research the correlations of these enterprises with social enterprises. To this end, we have analysed the main definitions of social enterprise, given the natural correlation with socio-economic impact and, in particular, that formulated by EMES - International Research Network. Although the theme of social enterprise is not strictly pertinent to this research, it has inspired the design of our social impact measurement model, with a view to building a tool capable of bringing out the channels through which both social enterprises and for-profit enterprises



managed by migrant women can generate socio-economic benefits in the communities of reference (diaspora, host and home communities).

In order to overcome the limitation of purely numerical data, we set ourselves the objective of exploring more in-depth, more "intimate" aspects of the enterprises, and we therefore chose to conduct the research with "quantitative" exploration tools on a larger sample of enterprises, and with more detailed "qualitative" cognitive tools on a smaller (but appropriately selected) sample of more virtuous and innovative enterprises. For the quantitative analysis we used a structured questionnaire designed by ourselves in accordance with the objectives set, while to explore the qualitative elements we developed a semi-structured interview, leaving the freedom to the interviewee and the interviewer to delve into the most characteristic and interesting aspects of each company (Kostyuk 2019).

4. Multivariate analysis of socio-economic contributions

On the basis of the data collected through the questionnaires, a multivariate statistical analysis of the hierarchical cluster analysis type was developed, which is based on measuring the dissimilarity of subjects according to a certain number of variables, an aggregation algorithm and a suitable definition of distance.

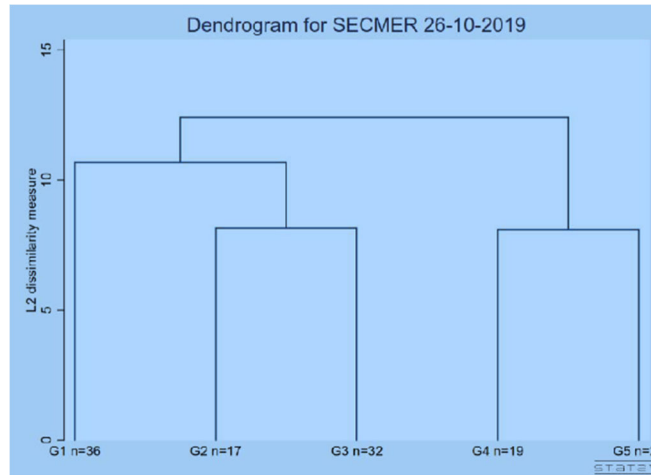
The input data of the cluster analysis is the matrix in which the 130 interviewed enterprises are represented, each characterised by the answers to the questions of the questionnaire, which represent the variables of interest. The information was appropriately coded in order to obtain comparable values. We chose to apply Ward's linkage algorithm, which uses the method of minimum variance for the aggregation of clusters at each hierarchical level, using the Euclidean metric space as distance function.

The following dendrogram graphically represents the result: the abscissae represent the enterprises (objects), while the vertical axis shows the distances between the clusters; the lower part of the graph shows the most granular clusters, while moving upwards the level of aggregation increases, i.e. a smaller number of clusters with higher cardinality are found.

The height of the vertical lines and the range of the dissimilarity axis are indicative of the diversity of the clusters aggregated. Longer vertical lines indicate a sharper separation between clusters, shorter lines indicate clusters that are not so distinct.



Figure 1. Socio-economic impacts dendrogram. Migrant enterprises in the province of Rome, 2019.

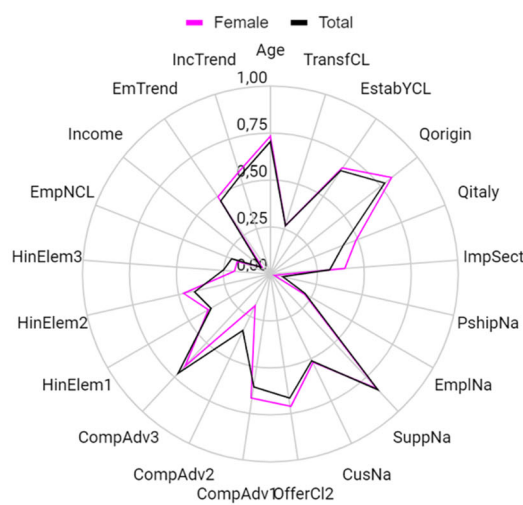


Source: Own elaboration

Once clusters have been formed, it is interesting to study the prevailing characteristics of the enterprises that are part of them, which, if well defined, can outline different 'entrepreneurial profiles' with respect to the socio-economic contribution indicators used.

The first group is characterised by a profile of "first generation entrepreneurs", i.e. entrepreneurs by choice, in sectors more accessible to foreigners, aimed at a general public and with a non-Italian entrepreneurial structure.

Figure 2. Group 1: first generation entrepreneurs.



Source: Own elaboration



This group accounts for 27.7% of entrepreneurs. They are 58.3% women, of Ukrainian nationality (33.3%), mostly middle-aged (55.6%) and over 50 (27.8%), with a medium to high level of education both in their country of origin and in Italy. Their businesses operate in sectors that are 'typical' of foreign entrepreneurs, such as trade and catering (61.1%), they mainly target final consumers (58.8%), both foreign and Italian, and have mainly Italian suppliers (69.4%). They have a low average turnover, less than 100,000 euros (80.6%), but steady. They prefer workers from their own country or from other countries. They claim to base their competitiveness on quality and good reputation (72.2%) and on the quality/price ratio (61.1%). They complain about bureaucratic difficulties and institutional relations (41.7%).

Peculiarities of the group in terms of gender. First of all, it should be noted that from the point of view of nationality, one third of this group is made up of Ukrainian entrepreneurs (33.3%), and if only the female component is taken into account, this share reaches 42.9%.

The radial graph not only shows the general characteristics of the group in black, but also highlights the peculiarities of its female component, in purple. While in the dimensions related to personal and company history (age, period of transfer to Italy and period of establishment of the company) the values are substantially in line with the group average, in the dimensions related to human capital and technological level (qualification obtained in the country of origin, qualification obtained in Italy, technological class of the sector of activity), female migrant enterprises (FMEs) are characterised by a higher level of education obtained both in the country of origin and in Italy and especially in sectors with a higher technological impact, such as consultancy and business services, which require more professional skills (28.6% of female enterprises, against 6.7% of male enterprises). In the dimensions related to nationality - of members, employees, suppliers and customers - the FMEs of the group rely more on compatriot members but in the other cases have values identical to the average. Regarding the dimensions of market relations (ethnic class of supply, competitive advantages of price, focus and quality/reputation), female enterprises tend, even more than male enterprises, not to offer ethnic products and to prefer mainly price-oriented business strategies for a general public. In terms of the dimensions related to the braking factors (in market positioning, bureaucratic and institutional aspects and on the supply side) FMEs have more bureaucratic and institutional difficulties and fewer difficulties in organising their supply. Finally, in economic size (employment class, turnover class, employment growth and turnover growth), while confirming the small employment and turnover size of the group, they show slightly higher trends than male enterprises.

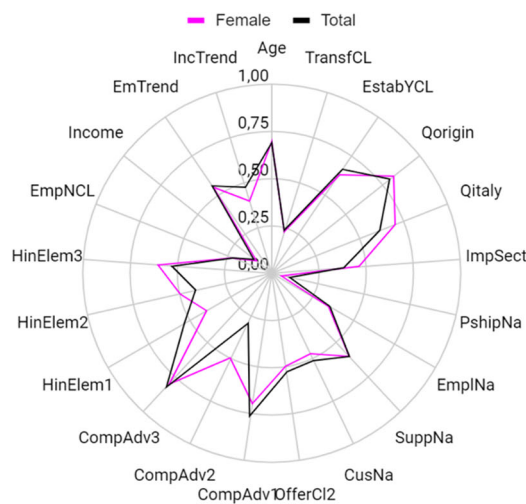
In general, we can say that in this group, women entrepreneurs tend to accentuate the specificities of the group, managing with compatriots small services aimed at a wide public and with a certain success, the result of the realisation of their own professional projects.

The second group (13.08% of enterprises) of foreign entrepreneurs are 'innovative enterprises'. They focus on high skills and quality, even at the expense of immediate earnings, but also achieve greater stability in employment.



The group is mainly composed of women entrepreneurs (58.8%), of Romanian nationality (41.2%), middle-aged (82.3%), who emigrated during the decade 1998-2008 (94.1%) for economic reasons (58.8%) and family reunification (29.4%). They boast a much higher percentage of university graduates in Italy (41.2%) than the other groups. The sectors of activity are typical of foreign entrepreneurs, but 23.5% provide highly specialised consultancy or service activities (real estate, professional and consultancy activities) to a greater extent than the average in knowledge-intensive sectors. Their enterprises offer both ethnic (47.1%) and non-ethnic (52.9%) goods or services, do not target only final consumers and have mixed suppliers with a higher proportion of foreigners than other groups (41.2%). They achieve medium-high business results. They show a high, stable (35.3%) or decreasing (35.3%) level of turnover. They use employees (82.3%) who are foreigners of a different nationality from their own, as well as Italian workers. Their labour supply is stable or increasing. They aim at quality (82.35%) and value for money (76.5%). They mainly complain about obstacles on the supply side (lack of qualified personnel, 52,9%) and related to the market (competition, 52,9%).

Figure 3. Group 2: innovative enterprises.



Source: Own elaboration

Group peculiarities at gender level. Women entrepreneurs in this group also have similar age elements to entrepreneurs, but a higher level of human capital size and sector of activity. Also in this group, FMEs tend to refer almost exclusively to domestic partners, with a prevalence of domestic clients as well. To a consistent extent the supply tends to be slightly more ethnic. On the other hand, from the point of view of marketing variables, FMEs show much higher than average targeting strategies. This element, together with the high level of education and the choice of medium-advanced sectors, is consistent with the complaint of few difficulties encountered and strong obstacles on the supply side, especially in finding qualified labour. This contradiction does not pay off from an economic point of view, as the turnover of the FMEs in the group is in slight contraction.



Again, FMEs accentuate the characteristic elements of the group. They are therefore activities led by highly qualified women entrepreneurs, who try to bring their communities to services aimed at specific needs (real estate activities, professional and consulting activities), but their economic success is perhaps limited by the level of education of their compatriots and the economic crisis.

The third group (24.6% of businesses) is that of "successful traditional entrepreneurs", who manage to offer typical products or services, made by employing foreign workers, but to a general clientele.

It is mainly composed of men (62.5%), young (18.7%) or middle-aged (68.7%), who have a lower level of education in their country of origin, which is improved in Italy. They are characterised by an entry in Italy that is more distant in time (50% before 1999) mainly for economic reasons, but also for study reasons and to open a business abroad. They are motivated by a desire for greater autonomy and professional fulfilment (28.1%). Peruvian (31.2%) and Romanian (25%) entrepreneurs belong to this group. Their businesses are more recent (34.4% in the last five years) and operate in sectors considered "traditional" for immigrants, with low technological intensity: commerce/restaurants (56.2%), construction (21.9%), textiles (12.5%). They mainly target final consumers (71.9%), also offering ethnic products. Unlike the entrepreneurs in the first group, they achieve high stable business results and employ a medium to high number of employees, mostly compatriots or other foreigners, not taking in Italian workers. They feel hampered by bureaucracy and base their strategies on quality but also on price.

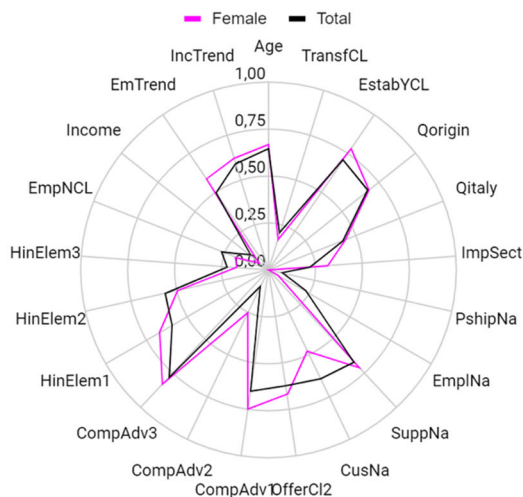


Figure 4. Group 3: successful traditional entrepreneurs.

Source: Own elaboration

Group peculiarities at gender level. The female entrepreneurs in the group are slightly older, but have started their business more recently. Their level of education is in line with the group average, but they work in less traditional sectors. Their enterprises rely even more on partners

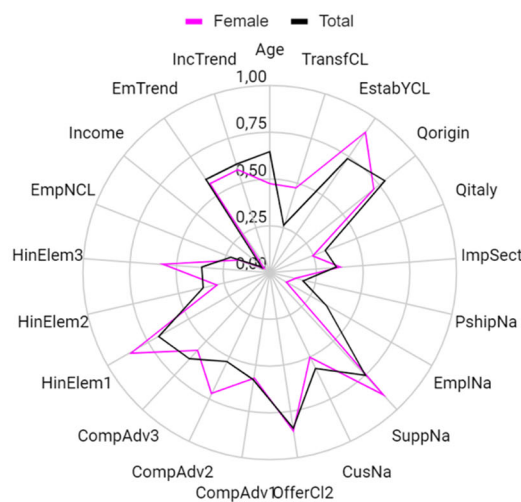


and workers from their own country and they target Italian customers to a lesser extent, but their products are slightly less “ethnic”. They have competitive advantages of the same form as the group, but at a higher level. They suffer more from competition or market limitations, but report fewer bureaucratic difficulties and no supply-side obstacles. They run smaller activities, but with strong growth, especially in employment.

The FMEs in this group, unlike the previous ones, are not characterised by the distinctive features of the group, but by a greater dynamism within it. They are small, traditional, recent activities, in fierce competition with others, but also in strong expansion. They therefore manage to enhance their roots.

The fourth group includes 19 enterprises (14.6% of the total) and is characterised by "new generations of integrated entrepreneurs", with greater employment growth, who know how to make the most of their skills acquired in their country of origin and find a competitive advantage in cultural openness.

Figure 5. Group 4: new generations of integrated entrepreneurs.



Source: Own elaboration

Like the previous one, it is mainly composed of male entrepreneurs (63.2%), who are young (31.6%) or at most middle-aged (42.1%). They have a medium-high level of education at the origin (50% graduates), which has not improved in Italy (63.2% have not obtained a degree in Italy). They decided rather recently to migrate (26.3% entered Italy 5-9 years ago) to rejoin their families (47.4%). Moldovan entrepreneurs (26.3%) belong to this group. Their enterprises are also more recently opened (47.4% opened in the last 5 years). They offer services with a high knowledge content and medium-high technological intensity (26.7%) and other services traditionally attributed to immigrants (57.9%). Their enterprises, unlike the previous clusters, do not offer any ethnic goods or services (84.2%), are characterised by higher employment growth and employ multicultural, mostly Italian, employees. As newer enterprises, they achieve a lower but growing turnover. They focus on the quality of the product or service they provide



and, in many cases, on the good reputation they have earned with their customers. They complain about competition from other companies operating in the same sector.

Group peculiarities at gender level. Within this group there are even younger women entrepreneurs who have recently moved to Italy and set up businesses. Unlike the first group, in line with their age, they have a slightly lower level of education, but operate in sectors that tend to be more advanced. They target fellow countrymen and workers more intensively than the average, but have almost exclusively Italian suppliers, mixed customers and confirm the group's orientation not to offer ethnic products. They follow market targeting strategies much more strongly, as well as suffer from market competition and labour availability.

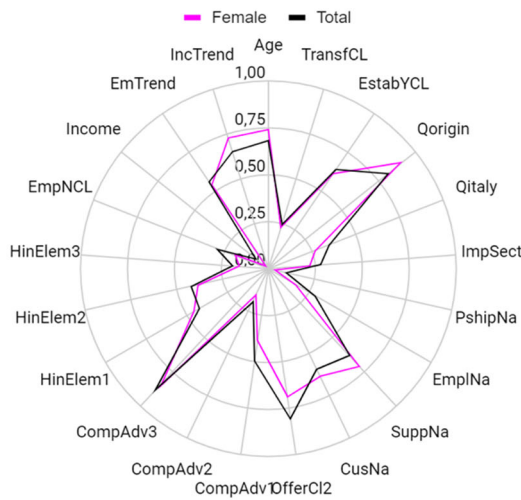
From these peculiarities, it can be deduced that the FMEs reinforce the characteristics of the group with regard to the youth component and intercultural relations, but differ with regard to the technology sector and market strategies. In particular, they seem to be young enterprises that seek to bring non-traditional products and services into their communities.

In the fifth group, which includes 26 enterprises (20% of respondents), the profile that emerges is that of "specialised masters", who base their strategy on the know-how of their trade, probably covering a need for skills in the host context. In this way they are able to reach the highest employment level of the sample.

The group does not present a gender prevalence, but a majority of middle-aged entrepreneurs (17/26 are between 35 and 50 years old), with a medium-high level of education at the origin (13/26, 50% obtained a degree in their country), not improved in Italy (15/26, 57.7% did not obtain a degree in Italy). The entry in Italy took place mainly for economic reasons (15/26) and family reasons (5/26), before 1998 (11/22) and between 2000 and 2009 (11/22). For this group the choice of self-employment is the answer to a lack of alternatives (8/26, 30.8%). Ukrainian entrepreneurs belong to this group more (11/26, 42.3%). They operate mainly in sectors traditionally attributed to immigrants. Their enterprises do not offer any ethnic goods or services (21/26, 80.8%) and are characterised by a high level of seniority (10/26, 38.5% opened 15 years ago). Their success is also confirmed by the high number of employees compared to the enterprises of the other clusters and a stable or increasing employment growth. Their turnover is on average low but growing (12/26) or stable (10/26). They focus on quality and good reputation (23/26).



Figure 6. Group 5: specialised masters.



Source: Own elaboration

Group characteristics at gender level. FMEs rather faithfully reproduce the average characteristics of the group. The only differences concern a higher age, higher education levels in the home country and lower in Italy, less technological sectors, higher incidence of Italian suppliers and ethnic products. Finally, it is interesting to note that although they are smaller in size, they are nonetheless enterprises that grow significantly more, a distinctive feature that prevails over the others. The economic success of this subgroup does not seem to be due to different positioning choices, but to the high starting human capital and possibly greater experience and management skills.

Overall, the graphical analysis helps to visualise the specific socio-economic contributions of migrant women entrepreneurs belonging to each group. Three transversal factors seem to emerge that are present in several groups:

- seniority and personal experience: for many national communities, migrant women have been the pioneers of migration, i.e. the first to move and create a favourable environment for the reunification of other family members. Greater experience in Italy also seems to be an advantage for the development of entrepreneurial activities.
- human capital: the level of skills, acquired mainly in the country of origin, becomes a factor of success in business management. These are emancipated women, who rely on merit and professionalism to assert themselves and who very often find in self-entrepreneurship a way to exploit these personal qualities, otherwise frustrated in the world of work.
- Intercultural exchanges: the last three groups highlight a further element of interest that concerns the ability to connect the different communities of reference, that of compatriots and that of residence. Although they are often enterprises with a corporate structure or work group clearly composed of compatriots, they are nevertheless characterised as "importers" of generalist products and services within the migrant



communities, or as "exporters" of ethnic products and services to the market, as weavers of intercultural economic relations.

5. Multivariate analysis of crisis resilience Covid-19

In July 2021, a new analysis was carried out on a sample of 40 companies that had participated in the 2019 survey, with the aim of gathering the perceptions and experiences of the entrepreneurs interviewed from three points of view: the impact of the crisis, reactions to the crisis and post-Covid development strategies. On these aspects, a cluster analysis was replicated, which in this case identified two groups, of almost identical size, with the following characteristics:

Group 1 of the Covid analysis included migrant entrepreneurs who, despite the pandemic, maintained or even increased their level of activity compared to the previous period. Other specificities of the impact of the crisis concern a low reduction in the unit price-cost margin and the difficulty in finding new human resources, which demonstrate the ability to maintain a good market demand for their products. Resilience strategies were characterised by digitalisation (with promotion on social channels and e-commerce) but also on the ability to adapt the offer to the new situation, with the addition of supplementary services and new activities and products. On the financial front, the good sales volume allowed them to overcome difficulties with simple payment deferrals to suppliers and moderate recourse to bank loans and capital increases. On the employment side, these entrepreneurs resorted to more flexible working and smart working as mitigation strategies. But there has also been no shortage of staff training and, in some cases, new hires. Among government support, the group made relatively greater use of subsidised financing. In line with what they experienced during the pandemic, these enterprises consider the digitisation of processes and the redefinition of product and service offerings to meet new needs as the main post-Covid development strategies, but they also do not neglect environmental and social sustainability.

Peculiarities of female enterprises in group 1. Female entrepreneurs in this group represent more than 60% of the total and are the component that has reacted best to the crisis. They are mainly distinguished by the fact that they report of a smaller drop in demand (only 8% of women compared to 71% of men) and fewer financial difficulties, less recourse to price increases (only 17% of women compared to 43% of men) and less difficulty in finding new human resources, even for temporary or seasonal work. They make slightly less use of e-commerce and home delivery services, but rely more on social channels. Women's enterprises in the group are more likely to expand their services (75% compared to 43% for men's enterprises). It is interesting to note that only 17% of female entrepreneurs say they have had to reduce their staff,



compared to 43% of male entrepreneurs. From a financial point of view, FMEs stand out as having benefited from slightly less support measures.

In group 2 of the Covid analysis, the companies that had the greatest negative impact are concentrated, even the closure of the business concerned a limited number of cases. The results that characterise this group on the side of the impact of the crisis are: the increase in costs and the consequent reduction in operating margin. Companies have been squeezed by supply problems on the one hand, and by the collapse of demand on the other. This situation seems to have discouraged entrepreneurs from seeking mitigation measures. The resilience strategies implemented were significantly less than in the first group. Financial strategies mainly focused on increasing equity capital, while there was little recourse to bank or soft loans. Businesses simply survived, operating in sectors heavily affected by the lockdown such as catering and retail. It is no coincidence that the main government aid used was the rent bonus, dedicated to commercial premises. This lack of adaptability is also confirmed by the answers given on development strategies: digitalisation and environmental sustainability are considered important, but not the revision of the product offer.

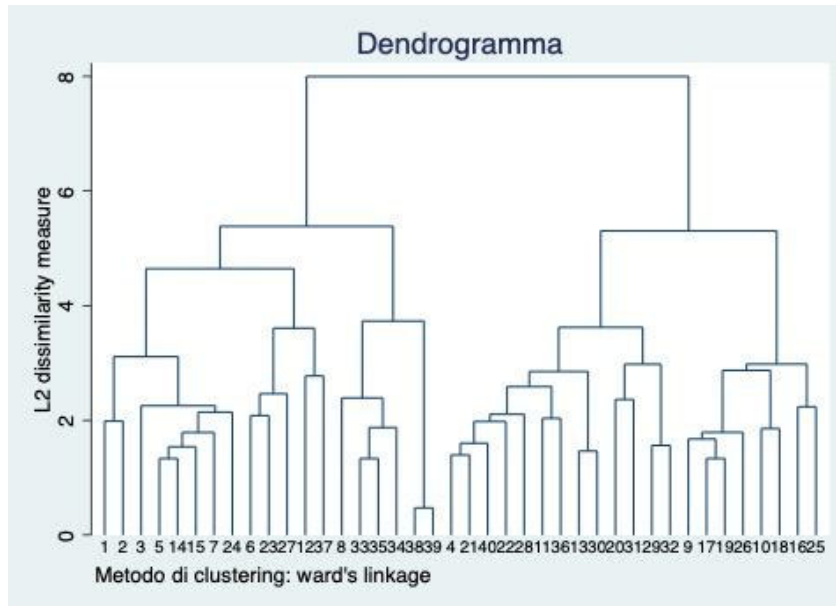
Peculiarities of female enterprises in group 2. Female entrepreneurs in this group account for more than half of the total and are the component that suffered slightly more from the Covid-19 crisis, but despite this suffered the least. As in group 1, the women entrepreneurs in group 2 complained of fewer difficulties in finding products, finding human resources and maintaining competitiveness, and consequently they also resorted less than men to price increases. In Group 2, women also tend to expand their services (45% of enterprises compared to 10% of male enterprises). It is interesting to note that only 36% of the women in Group 2 compared to 90% of the men in the same group believe that digitisation of business processes could increase competitive advantage.

By comparing these resilience profiles with the characteristics of entrepreneurs and firms, it is possible to hypothesise which capacities responded best to the shock. The first group is composed of younger entrepreneurs, workers from mixed backgrounds, a multicultural clientele and market focus strategies. The companies in the second Covid group, on the other hand, have a more generalist offer, are older, operate in more traditional markets in sectors more vulnerable to the pandemic and encounter more bureaucratic difficulties.

Cultural diversity, innovative capacity and diversification of supply would therefore also be drivers of resilience to the pandemic crisis, as well as virtuous elements that characterise migrant businesses. Migrant entrepreneurs have not only been able to resist and keep their business running (as in the case of the second group), but have also shown flexibility and openness to change. To these drivers we could also add gender diversity, which, thanks to a higher level of education of female entrepreneurs, despite disadvantages on the financial and dimensional side, would have allowed FMEs to achieve a higher level of resilience on average than their male colleagues.



Figure 7. Covid-19 impacts dendrogram. Migrant enterprises in the province of Rome, 2021.



Source: Own elaboration

6. Conclusion

Immigrant entrepreneurship, including women's businesses, in Italy and in Rome is a fast-growing phenomenon, both in terms of purely dimensional aspects, such as the number of enterprises present in the area, and in terms of the qualitative aspects they bring to the local community in terms of professionalism, innovation and social progress.

The first part of this research, focused on the analysis of the bibliography on the subject, identified an abundance of studies focusing on the theoretical and anthropological aspects of the phenomenon, but no attempt to demonstrate the real socio-economic contribution of immigrant entrepreneurship, the peculiarities of women's enterprises, their resilience to the COVID-19 crisis and the strategies adopted to deal with it. The methodological and empirical work carried out in this research focused precisely on these lesser-known aspects.

First, a model for measuring the socio-economic impact of migrants' enterprises and a tool for collecting subjective assessments of the impact of the COVID-19 pandemic were developed. These tools were applied to some of the foreign communities most present in the city of Rome, namely Albanian, Ecuadorian, Moldovan, Peruvian, Romanian and Ukrainian. Based on a



mapping of 493 enterprises, the socio-economic impact questionnaire was administered to 130 enterprises in 2019 and the Covid crisis impact questionnaire to 40 of these enterprises.

Secondly, the prevailing characteristics of the enterprises in terms of socio-economic impact were identified, also highlighting the peculiarities of female-owned enterprises. Through cluster analysis we were able to outline 5 different entrepreneurial models:

- "first-generation entrepreneurs" who decided to open a business in sectors that are more accessible to foreigners, such as the food industry or trade, usually aimed at a general public;
- "innovative entrepreneurs", who have focused on high skills and quality, even at the expense of immediate profit, but who have also achieved greater employment stability;
- "successful traditional entrepreneurs", who manage to offer typical products or services, made by employing foreign workers, but still aimed at a generalist clientele;
- "new generations of integrated entrepreneurs" with greater employment growth, who know how to make the most of the skills acquired in the country of origin and know how to turn cultural openness into a competitive advantage;
- "specialised masters" who base their strategy on the know-how of their trade, probably covering a need for skills in the host context.

Within these groups, women's businesses seem to contribute with respect to three transversal factors present in several groups:

- seniority and personal experience: greater experience in Italy, often as a pioneer of migration, also seems to be an advantage for the development of entrepreneurial activities
- human capital: foreign women entrepreneurs have a higher level of skills than men. Merit and professionalism thus become factors of success in business management.
- intercultural exchanges: in the last three groups, FMEs build economic relationships between different communities by introducing generalist products and services into migrant communities, or by promoting ethnic products and services in the local market.

Women's migrant enterprises, therefore, on the one hand confirm some virtuous elements already highlighted in the literature, and on the other hand the analysis demonstrates their contribution to greater economic inclusion.

In the second part of the research, the perceptions of the interviewed entrepreneurs on the effects of the Covid crisis and the mitigation strategies implemented were collected. The analysis distinguished those enterprises that were able to react better to the shock. The main 'resilience' factors identified were: being young entrepreneurs, having a mixed corporate and labour structure, and product diversification and market focus strategies. These enterprises have used public support measures and bank credit more extensively and have adapted and been able to modify their processes/products to meet the new needs that have emerged. The cultural diversity represented by these economic actors has fostered their creativity, ability to recognise needs and establish customer relations.



The analysis carried out has made it possible to recognise a nucleus of foreign women's enterprises that stand out for having reacted better to the crisis, even though they were affected by the impacts of Covid-19. These companies have been able to implement a series of actions that have enabled them to expand their business: offering new services, increasing their activities on social channels, adopting sustainability policies and a proactive attitude in terms of human resources and innovation. These resilience strategies were based on their creativity, professional expertise and community relations.

In conclusion, we can say that even in the severe pandemic crisis we are currently experiencing, migrant businesses are an active element of resilience and revitalisation. In particular, the cultural and gender diversity of the business ecosystem – which could thus be defined as a “mestizo” ecosystem - can be an important factor in making local economic systems more resilient and orienting them towards more sustainable and inclusive development models.

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