

## **The impact of COVID-19 crisis on migrant entrepreneurs: Survey and key messages**

**– Fondazione ISMU, Italy –**

In May 2020 Fondazione ISMU created an online survey in order to gain indications about the impact of the health crisis brought by Covid-19 on enterprises run by foreigners in Italy. The survey was based on a reworking of the original check list circulated among NES partners, which was more adequately applied to the Italian situation. It was produced and implemented through the use of Google Forms, a very intuitive and fast tool to manage; it was closed on September 25, 2020.

The survey was disseminated through the ISMU network, whose actors, in turn, forwarded it to entrepreneurs in their communities. Incubators and business services have been involved (Impact Hub Milano, Singa Business Lab, SIT Milano, Associazione Irene, Fondazione Welfare Ambrosiano, ConLab, Unione Artigiani). Permico – one of the most important micro-credit organizations in Italy – has disseminated the questionnaire through its newsletters. Furthermore, the web and social networks have been a dissemination tool: Soletterre posted the survey on his Facebook page “Programma Lavoro Soletterre”; Rete Migrazioni & Lavoro made the survey visible on its website home page. In addition, ISMU included the survey in its May newsletter, which was sent to a mailing list of about 5,000 contacts.

The survey consisted of 12 questions – two of which were introductory (activity sector, size) –, covering areas such as: opening/closing during lockdown; impact of emergency on turnover, number of employees and customers, relationships with suppliers; type of possible impact on personal income of the entrepreneur; difficulties in complying with safety regulations; resorting to financial (or other forms of) institutional support made available; expectations and concerns about the near future with respect to the general management of business activities, turnover, the possibility to resort to public (or private) support to cope with specific problems. The survey included different types of questions, ranging from multiple-choice questions to open-ended ones and checkboxes.

The survey resulted in the collection of responses from 21 entrepreneurs. This outcome has probably been affected by the considerable specificity of the selected target, with the consequent difficulty in obtaining an available sample really representative of the reference population. Furthermore, the response rate is likely to have been impacted by the huge number of web surveys circulating during the period of survey implementation.

This said, a relevant observation to be made is that the entrepreneurs reached by the survey operate in very different business sectors: information and communication services, the craft sector, beauty, import/export, food, culture/entertainment.

Almost all enterprises are small: from one person to a maximum of 12 people are employed by them.

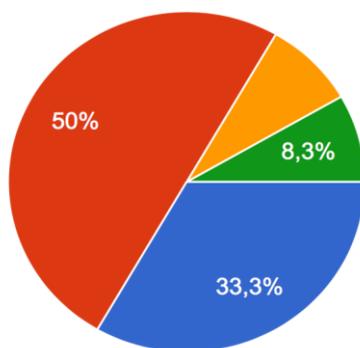
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## KEY FINDINGS

Only 3 out of 21 entrepreneurs could keep their business open/operational during lockdown. From the results obtained, it is possible to state that, on average, they closed their business for 5 weeks.

The survey shows that the greatest problems have been a decline in the number of clients and the difficulty in bearing rental costs.

50% of entrepreneurs have experienced a reduction in their personal income which they have been able to cope with. 33.3% suffered from a sharp drop in their personal income which was seriously stressful. 8.3% had just started their activity, so only expectations were lowered. The remaining 8.4% reported no significant reduction in their personal income.



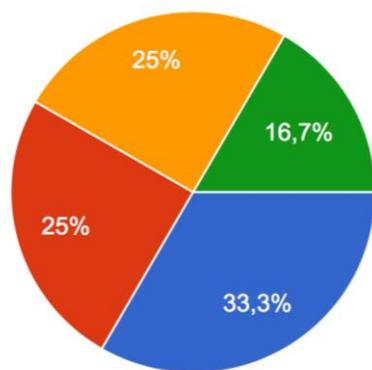
- **A Strong reduction in personal income**
- **A reduction in personal income which s/he has managed to cope with**
- **No significant reduction in personal income**
- **The activity was started recently so only expectations were lowered**

The survey also investigated the support measures promoted by the national government to alleviate the liquidity crisis. All the entrepreneurs reported that they had applied for support measures launched by the State.

In particular, the most requested form of support (33.3% of entrepreneurs) regarded a guarantee of up to 25,000 euro.

Nevertheless, through the last open question of the survey related to other specific requests, respondents indicated the need for further forms of support.

Thinking about the future, the attitudes of the entrepreneurs reached by the survey appear to vary: 33.3% of them are confident to be able to maintain the turnover planned before the emergency; 25% think their businesses will suffer from a slight reduction in turnover (less than 20%); 25% expect to suffer from a significant reduction in turnover; 16.7% think their businesses' turnover will increase compared to predictions.



- **Will be able to maintain the expected turnover before emergency**
- **Will suffer from a slight reduction in turnover (less than 20%)**
- **Will suffer from a significant reduction in turnover**
- **Will see turnover grow compared to predictions**

Therefore, despite the presence – to varying degrees – of negative effects of the pandemic on turnover and personal income, the survey shows that the majority of these entrepreneurs are overall confident about the future performance of their businesses.

In sum, the indications stemming from the survey give a fairly clear picture of the impact that the coronavirus crisis has had on migrant entrepreneurs; the results appear to be basically in line with those obtained by other stakeholders (research centers etc.) in the country.

## KEY MESSAGES

The analysis conducted through the survey can be translated into the following key messages:

- 1) Migrant entrepreneurs have benefited from the support tools made available by the national government to help businesses cope with the economic and financial effects caused by the difficult period of health emergency. Notwithstanding this, the support measures provided, although necessary and extremely useful, were not deemed sufficient to deal with an unprecedented crisis situation. Migrant entrepreneurs, in fact, have expressed the need for further and greater support.
- 2) The Covid-19 crisis has certainly impacted on migrant business activities. Only 3 out of 21 entrepreneurs responding to the survey managed to keep their businesses open during the acute phase of the pandemic. In particular, problems that have worried most entrepreneurs in in this period were both contingent, such as the difficulty in bearing rental costs, and of a medium-long term nature, such as a decline in the number of clients.
- 3) As highlighted by the data, there has been a negative impact on entrepreneurs' personal income. At the same time, what emerges from the survey is a confident attitude towards the future. Most migrant entrepreneurs, thinking about the future, have expressed a general optimism. Indeed, none of the survey respondents, including those who suffered greatly from a reduction in their income, had to stop their business activities or have expressed distrust in their ability to recover in the coming months.