

Chapter 5

Obstacles to Portuguese Immigrant Entrepreneurship in Andorra

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ABSTRACT

Nowadays the world is in constant and successive changes and to follow these changes one necessarily has to be prepared to act throughout life with initiative, innovation and value creation. However, obstacles to entrepreneurship are numerous, and those who seek these challenges in foreign countries have to face even greater problems. In order to understand the difficulties found by Portuguese emigrant entrepreneurs in Andorra, the authors conducted a survey in 2012 with 51 Portuguese entrepreneurs residing in that country. The results are described in this chapter. It was found that the main obstacles to setting up a business are mostly bureaucratic in nature, due to legislation not adjusted to reality, suggesting, first and foremost, the urgency of an intense work yet to be done in this field, both by governmental bodies and by other institutions directly related with these entrepreneurs.

INTRODUCTION

The World is in constant and successive movement. Therefore, to follow these changes we necessarily have to prepare ourselves to act throughout life, with initiative, innovation and value creation. In this sense, entrepreneurship is currently the subject

of considerable interest from academics, business-people and even the Government, who sees this concept as the key to the overall competitiveness of the economy.

We know that interest in this issue dates back to the 18th century. Several experts on this subject are unanimous in their opinion that it was

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the economist Richard Cantillon who addressed this concept for the first time, giving it a connotation very close to the current one (Druker, 1986; Sarkar, 2007; Dornelas, 2008), describing an entrepreneur as “a person who pays a certain price for a product to resell it at an uncertain price, thereby making decisions about obtaining and using the resources while consequently admitting the risk of enterprise” (Cantillon, 1755, quoted by Sarkar, 2007, p. 43). Hence, even in the 18th century, there was already an association of entrepreneurship/entrepreneur to risk, innovation and profit (Drucker, 1986).

We know that the obstacles to entrepreneurship are numerous, and those facing these challenges in countries abroad have to deal with even more problems, so it becomes important to study this issue also in the context of emigration, a phenomenon which in the early twenty-first century regained importance in Portugal, due to the economic crisis that is taking place since 2008.

Thus, framed in a broader research project on the Portuguese Emigrant Entrepreneurship in Andorra, London, Nice and Monaco (an international project being developed by the Centre for Population, Economics and Society Studies, University of Porto, Portugal), this study focuses its attention only on the Principality of Andorra, a country with one of the highest percentages of total population of Portuguese nationality in the world, around 15% (Observatório da Emigração, 2012). The study carries the objective of understanding the outlines of the departure of Portuguese entrepreneurs to other countries and figuring out what kind of support and obstacles they encounter in the country of arrival, which help or hinder an action that the official discourse is permanently announcing as the only path to the Portuguese economic sustainability.

Following these objectives, a questionnaire was presented to 51 Portuguese entrepreneurs residing in Andorra, resulting from a convenience sample (Ferreira & Carmo, 1998). This survey consists of 65 questions using the Likert scale (1-5) to measure

the opinions of the respondents. Divided into 5 groups, the survey addresses socio-demographic characterization; professional characterization before emigration; professional characterization after emigration; characterization of the current enterprise in the country of destination; and the migratory path of the respondents.

The analysis of the survey with SPSS (Statistical Package for Social Sciences) shows that 74.5% of respondents came from the northern region of Portugal; 51% are female; most are between 34 and 49 years of age; most only have the 2nd cycle of basic education without additional training; and 94% still maintain solely Portuguese nationality.

In the Principality of Andorra, the main obstacles imposed on Portuguese emigrant entrepreneurship are of a bureaucratic/institutional nature, particularly in regard to a legislation not adjusted to the real world. With less impact, we have what we may call individual obstacles. For instance, the knowledge of the local language, which, contrary to what other studies show, is not considered by entrepreneurs as a barrier to their business success.

After being aware of the existing difficulties, it becomes easier to find solutions. And, for these respondents, among the many possible initiatives to promote and support entrepreneurship, there arises the urgent need for the Government to reduce taxes; to attract more tourism; and to improve the social conditions of the population itself.

This study thus allows the deepening of knowledge in this area and opening a path for dialogue and teamwork, as only in this way it is possible to change attitudes, focusing on initiative and supporting entrepreneurs.

The current chapter is divided in five sections. Section one focuses on literature review, beginning with the origins of the concept of entrepreneurship, following its evolution and facing it as a way to ensure the sustainability of the economy. Section two approaches the obstacles of emigrant entrepreneurship (e.g. cultural, educational, political, institutional), while in section three we discuss

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