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DEVELOPING EVIDENCE BASED MANAGEMENT AND OPERATIONS IN INDIA-EU MIGRATION AND PARTNERSHIP (DEMO: INDIA-EU MAP)

***Indian retailing entrepreneurs
An analysis of migrant entrepreneurship
in the Spanish market
for retail payment services***

Iñigo Moré Martínez

DEMO-India Research Report 2015/11

DEMO-India
Developing Evidence based Management and Operations in
India-EU Migration and Partnership

Research Report
Thematic Report
DEMO-India RR 2015/11

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An analysis of migrant entrepreneurship in the Spanish market
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Founder of the research Centre Remesas.org

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DEMO-India – Developing Evidence based Management and Operations in India-EU Migration and Partnership (DEMO: India-EU MaP)

The Demo: India-EU MaP project, co-funded by the European Commission, is a continuation of the Carim India project (www.india-eu-migration.eu) and it examines the multiple facets of Indian migration to the EU. Its overall aim is to improve migration management between India and the EU, strengthen EU-India relations, and produce in-depth empirical knowledge about the different migration streams and pathways of Indian nationals in the EU. Its specific goals include providing:

1. Evidence based research for more informed policy making and state intervention.
2. Improved source country capacity in managing migration.
3. Raising awareness among potential migrants of the risks of irregular migration.
4. Collaboration with civil society groups.
5. Empirical research and analysis of Indian communities across the EU, and their impact.

The project is led by the Indian Centre for Migration in Delhi with the partnership of the Migration Policy Centre, RSCAS, EUI.

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Abstract

Indian migrants have become one of the leading groups of retail entrepreneurs in Spain in payment services. We have found that 310 Indian entrepreneurs are agents of payment institutions in Spain, and that they have a strong preference for Spain's Mediterranean regions: 256, or 82% of them are based there.

Half of the 310 Indian agents have traditional Sikh names, suggesting that they have a Sikh background and that they or their families come from Punjab. Twenty percent of all the agents are Indian women. The personal nature of the agency contracts means not only a business for those women, but also status. Being an "agent" has been found to be empowering, allowing these women spaces of personal autonomy seldom enjoyed by the average immigrant. Half of the Indian agents surveyed can be considered serial entrepreneurs, as they own several businesses, including travel agencies, supermarkets and IT services. Some have even built highly sophisticated financial services ventures.

Although the focus of the text is on immigrants from India, the text also addresses other origins. The text is divided into two parts. The first is a description of the context, activity and the general dataset. The second concentrates on Indian entrepreneurs with a survey that included in-depth interviews.

Key words: Indian migrants, retail entrepreneurs, payment services, Spain

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1. Immigrant entrepreneurs

In every city in the developed world there are several types of retail business in which immigrant entrepreneurs have developed a specialisation. Such is the case of the French “*épicerie arabe*” or small convenience stores owned by Arab immigrants; the American “*Patel Motels*”, owned by Indians immigrants; the Spanish “*Chinos*”, bazaars owned by Chinese immigrants; and the worldwide “nail salons” owned by various Asiatic nationalities. Although they represent very different types of the retail business, in some cases selling goods and in others services, they all share certain characteristics. Normally they are small business, and they are not located in prime locations. They are neighbourhood focused, specialized in catering to the needs of the local population. They have particularly long opening hours and a noticeable focus on high turnover items and/or fast service.

Those immigrant businesses are so common that they have created a demand for consulting activities specifically focused on immigrant retailers. There are even guides published to specifically assist and inform immigrants who want to make a success of a retail business (Zawatzky 2011). There is an abundance of this kind of guide targeting Indian entrepreneurs (Lewin *et al.* 2011).

1.1. The literature

Although there are not many articles on immigrants as investors or entrepreneurs, this phenomenon has been noted for a long time by researchers who found that immigrants show a higher propensity towards self-employment than natives (Borjas 1986). Since examples of this propensity are to be found across the world, the debate has moved towards explaining their success with a long list of conceptual theories that analyse immigrant entrepreneurship. It has been repeatedly found that a significant relationship exists between country of origin and entrepreneurship, as also within immigrant groups “self-employment rates differ substantially” (Fairlie and Meyer 1996). For some diaspora groups, background has been found to be relevant since self-employment “among Asian and Hispanic immigrants is affected by family composition and human capital/class resources” (Sanders and Nee 1996). Some researchers have discovered that the opportunity to become an entrepreneur arises in places with a large concentration of immigrants. Those places, or “ethnic enclaves” (Altinay 2008) play a role in developing immigrant entrepreneurship. A relationship has also been found between entrepreneurship and the size of the immigrant group or the level of cultural integration (Evans 1989). Time has also been found to play a role as “self-employment among immigrants is to some extent positively correlated with time elapsed after arrival in the country” (Hammarstedt 2001). An alternative theory is that some immigrant nationalities have specialized as “middlemen” (Min and Bozorgmehr 2003) between the immigrant market and suppliers of the dominant group. Other researchers analyse this situation from the point of view of disadvantages, since there are immigrant groups that can’t compete for jobs in the main labour market so they are forced to become self-employed (Min and Bozorgmehr 2003). From the sociological point of view there are cultural interpretations that focus on the immigrants’ culture of effort (Volery 2007). One of the reasons for the wide variety of explanations is that self-employment or small-scale entrepreneurship, as with any other economic strategy, derives from a specific environment of supply and demand interaction. Thus it is difficult to find the same immigrant groups together with the same economic opportunities in different cities, and of course, different countries. Following this path, other researchers have sought to explain immigrant entrepreneurship on the grounds of opportunities available in a particular place, where natives have are no longer interested in proximity retail, and look for other business opportunities (Marcus 2001).

1.2. The case for retail financial services

The article analyses the relationship between immigrants' nationality and entrepreneurship in a very specific field of retail: retail payment services or, in non-technical jargon, retail services for migrant remittances. This sector was chosen because it is the sole retail field in Spain where the majority of retailers are immigrants.

For this purpose we will analyse the content of a unique register created after the Payment Services Directive (2007/64/EC). It is the official register of payment services agents in Spain and there are over 25,000. The Spanish network of money transfer agents is in the same range, numerically, as the total number of bank branches. This register is the only one existing in Europe that allows us to analyse an entire retail sector in terms of retailer nationality.

1.3. The dataset

On 13 November 2007 the European Union enacted the Payment Services Directive, or Directive 2007/64/EC. Its aim was to harmonize the regulation of payment services at the European level. These services are defined in seven different categories, which include sending remittances. Until then, every member country of the European Union had its own regulations for payment services. Some required companies to have a license to offer them, which in France was similar to a banking license. Other countries, such as the United Kingdom, had very light or even no particular regulation for companies willing to offer these services. Due to the differences between member countries' regulations, it was impossible for member countries to allow free movement of services in this area: for example, for a Spanish company to offer its services in other EU countries. The Payment Services Directive created a solution for all Europe based on a new kind of entity, called a Payment Institution, whose regulation and licensing process would be identical or very similar across Europe. Therefore, an entity registered in UK would be able to offer its services all over Europe.

In order to allow any European customer or government to know whether a foreign Payment Institution exists and what kind of license it has, the Payment Services Directive set identical transparency rules for all member countries. Its Article 13 requested a specific public register for payment institutions. The public register was meant to include their agents also:

Article 13

Registration

Member States shall establish a public register of authorized payment institutions, their agents and branches, as well as of natural and legal persons, their agents and branches, benefiting from a waiver under Article 26, and of the institutions referred to in Article 2(3) that are entitled under national law to provide payment services. They shall be entered in the register of the home Member State.

This register shall identify the payment services for which the payment institution is authorized or for which the natural or legal person has been registered. Authorized payment institutions shall be listed in the register separately from natural and legal persons that have been registered in accordance with Article 26. The register shall be publicly available for consultation, accessible online, and updated on a regular basis.¹

¹ Payment Services Directive 2007/64/EC, available on: <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0064> [Accessed 17 October 2015].

The European Commission did not give any additional instruction on how this register should be organized and what additional information it should provide. For instance in the UK, the agency that operates this register is the Financial Conduct Authority, whose Financial Services Register (<http://www.fsa.gov.uk/register/home.do>) provides full address and the telephone number of all agents in tabs thus:

Figure 1. Example of record from the Financial Services Register (UK)

Basic details for:	
571000 - Angelini Piero	
Payment Institution status:	
Effective Date:	
Agent Status:	PSD Agent Former
Effective Date:	08/07/2014
Address:	Via Appia Nuova 1049 Rome ITALY 00 178
Phone:	39 006 7183862
Fax:	
Email:	
Website:	
Notices:	Payment services are not covered by the Financial Services Compensation Scheme.
Other information:	

Other European countries offer different information: for instance, Ireland provides the full address, but not the telephone number, just as with Italy.

Spain is an exception in the European context because its register contains two fields of information that are not available anywhere else in Europe. The first field, critical for this article, is the nationality of the agent in terms of the current passport of the agent. As mentioned earlier, this is the sole official register in Spain, and to our knowledge in Europe, that allows for analysis of a whole economic sector from the point of view of the participants' nationality.

The other field of information is the Tax ID number of all agents, something that permits us to distinguish between different agents that might have the same name. It also makes it possible to distinguish legal entities from natural persons, since their ID structure is different. For natural persons, ID numbers differ between Spaniards and immigrants. ID numbers for Spaniards are issued at random, meaning that two persons born the same day and who also request their ID the same day will never get two consecutive numbers. One might get a number below five million and the other a number above 20 million. This happens because Spanish ID numbers are recycled 20 years after the death of the original holder. But it does not happen with the numbers that identify immigrants who hold a residence permit. Those numbers are issued on a consecutive basis, providing, in an indirect way, an indication of their issuance date.

1.4. The Spanish register

For Spain, the official number of payment Institutions at the end of 2013 was 56, with a total of 20,630 registered agents, of which 4,243 were legal entities and 16,387 were natural persons, and therefore self-employed. Those agents offered their services through 31,914 different points of sale (Banco de España 2014a: 67). To appreciate the very significant dimension of this number of points of sale, it can be compared with the total number of bank branches in Spain: 37,916 (La Caixa 2014).

The process of becoming an agent of a payment institution is extremely formal and it is regulated in detail all over the European Union. Every agent is formally appointed by the regulator of financial services, which in Spain is the Banco de España, Spain's central bank. The conditions for being appointed are clearly laid down in the regulations and are extremely stringent. Among other things, Spanish Law requires that agents do not have criminal records and that they provide proof of their tax compliance; they are specifically required to have registered for the *Impuesto de Actividades Economicas*² or Economic Activity Tax.

Agents can only be Spanish nationals, or foreign nationals holding a valid working permit in Spain: this is not specified but it is implicit in the regulations. And for foreign nationals to have a valid working permit, they must comply with Social Security obligations, paying all relevant taxes and duties.

This means that money transfer agents have no criminal records and comply with tax regulations, and in the case of immigrants, they also pay social security dues. Besides the legal requirements, practical considerations mean that agents will have a point of sale, either owned or rented, as well as a telephone, internet and fax lines. They must also have bank accounts, pay for their power supply and cover all the expenses related to managing a store. This represents a significant investment, which could be around 10,000 euro, but that could easily be ten times this amount if the location is in or near a premium area.

All of these conditions might be hard for native Spaniards to meet. But they are absolutely out of reach for most immigrants.

1.5. Description of the dataset

The dataset that we are going to analyse was extracted from the Bank of Spain register on the final days of January 2014. Data extraction is labour intensive since the archive only allows the user to download the information on agents in two modes, either one by one, or in groups of fifteen (see <http://app.bde.es/age/>).

The dataset is composed of 26,175 agents. So obtaining information required slightly more than 1,700 queries to the database (showing the strange form of transparency practised by the Bank of Spain). For every agent, there are six fields of information, the name of the agent, their tax ID, the city or country where they operate, the postcode of their residence, the starting date of operations and their nationality.

Its structure follows this example (Figure 2).

² See Article 12.5 of Banco de España's Circular 6/2001, 29 October 2001, available on: <http://www.bde.es/f/webbde/SJU/normativa/circulares/c200106.pdf> [Accessed 18 October 2015] as modified by the Circular 3/2009 (available on: <http://www.bde.es/f/webbde/SJU/normativa/circulares/C-3-2009.pdf>): "En la contratación de sus agentes, los titulares deberán exigir de los mismos acreditación de estar dados de alta en el correspondiente Impuesto de Actividades Económicas y, cuando se trate de personas físicas, de carecer de antecedentes penales respecto a los delitos mencionados en el artículo 4.3 del Real Decreto 2660/1998, de 14 de diciembre".

Figure 2. Structure of the dataset

Name of the agent	Tax Id of the agent	city/ country	Provincia code	Post code	Start-ing date	Nationality	Payment Institution
SIGCHO ANDRADE, JOSUETH	02744975V	ESPAÑA	28	28903	23/12/2013	ESPAÑA	TITANES TELECOMUNICACIONES
COPYSERVI MELILLA CB	E52013943	ESPAÑA	52	52006	23/12/2013	ESPAÑA Corporate	MONEYGRAM PAYMENT SYSTEMS SPAIN
KAMAL, MOHAMED	X3219766L	ESPAÑA	35	35110	23/12/2013	MARRUECOS	MONEYGRAM PAYMENT SYSTEMS SPAIN
ZAMAN, MOHAMMAD	X3215574J	ESPAÑA	11	11201	23/12/2013	PAKISTAN	UNITED EUROPHIL EP

The dataset has been further enhanced with the addition of three fields. The first is the separation between natural persons and legal entities. The reason is that incorporated legal entities in Spain can only have Spanish nationality. But this does not mean that a foreign national cannot have a controlling stake or be its manager. In the dataset there are a total of 4,382 legal entities, representing 17% of the total number of agents.

Most research in this area has distinguished between self-employment and entrepreneurship. One difference between the self-employed and entrepreneurs is investment. While a self-employed individual, say, a plumber, does not need any particular investment apart from a set of tools, a shop owner has to pay the rent, power supply, signage for the store, buy the inventory, obtain the required licenses..., etc. So, in retail, all self-employed owners are investors. Another difference lies in the number of employees. While sole traders or the self-employed have no employees, a small entrepreneur has at least one employee. However, this distinction between the self-employed and the entrepreneur cannot be applied to retail since the long working hours of any small store make it very unlikely that one person can run it without assistance. Most of the time help is sought within the family of the immigrant, and the helper is not always formally employed. A final difference is that statistical information on the self-employed and entrepreneurs usually comes from different sources. In most countries they belong to different census categories or tax regimes. However, in retail financial services, the boundaries that separate sole-traders/self-employed and entrepreneurs are blurred. Therefore, in this article we will not use the traditional differentiation.

We have also added an additional field identifying agents of Spanish money transfer companies based outside Spain. In the dataset there are a total of 1,113 agents based in the following countries (Table 1).

Table 1. Spanish's Payment Institution Agents outside Spain (from the dataset)

Italy	1,035
Portugal	73
Germany	3
Greece	2
Total	1,113

In order to make the dataset more homogeneous, we have separated out those agents who are not based in Spain. They will be analysed separately.

We have also added three more fields. Since we have the starting date of the agency agreement, we have translated it into the number of days elapsed until the extraction date of the dataset, as of the end of January 2014. This column gives us the duration of agency agreements. The final column is the immigrant's Foreigner's ID number (*Número de Identidad de extranjero*) (NIE), without letters. Since

they are issued on a consecutive basis, the lower numbers will correspond to the immigrants who received their ID numbers earlier. Finally, we have translated the Postal code in the *Provincia*, or territorial division, at the NUTS 3 level to which they correspond.

The ranking by nationality of the agents shows that the leading nationality is Spanish, at 24%, followed by Spanish Legal Entities, at 17%. This means that even adding up Spanish citizens and Spanish legal entities; they will stand at just 41% of the total. Therefore, the majority of agents are foreign nationals. This allows us to hypothesize that the retail side of payment services in Spain is predominantly an immigrant activity.

Of course, a deeper analysis may reveal that a percentage of Spanish nationals are naturalized immigrants, since in the data “nationality” refers to the current passport held by the agent and not to the agent’s country of birth. Also, some of the Spanish legal entities might be owned or controlled by immigrants. Although we do not have information that would confirm or negate these possibilities, we point this out as a potential line of further research.

Aside from these considerations, the sector of money transfer agents is largely dominated by immigrants, who show a high or very high propensity towards this activity, considering that they are a minority when compared with the whole Spanish population. The top foreign nationality is Morocco with 15% of the total agents while Pakistan ranks second with 11%. India is ranked thirteenth, while Bangladesh is fifteenth, both with 1% of all agents.

Table 2. Ranking of Payment Institutions Agents in Spain by Nationality

Nationality	N. of agents	%
Spain	6,111	24%
Spain Corporate	4,382	17%
Morocco	3,846	15%
Pakistan	2,727	11%
Colombia	1,062	4%
Ecuador	1,058	4%
Bolivia	678	3%
Dominican Republic	564	2%
Senegal	434	2%
Romania	410	2%
Peru	406	2%
Nigeria	405	2%
India	310	1%
Algeria	244	1%
Bangladesh	230	1%
Other	2,193	9%
Total	25,061	100%

To determine each migrant group’s propensity towards this activity we will compare the number of agents with the total eligible universe, i.e., the number of immigrants inscribed in Social Security who, therefore, pay the corresponding taxes and hold a valid working permit in Spain.

Table 3. Agents and total immigrants registered in social security

Country of origin	Agents	Total in Social security	Agents % Social security
<i>Total</i>	14,566	1,503,962	1.0%
MOROCCO	3,846	183,288	2.1%
PAKISTAN	2,727	23,513	11.6%
COLOMBIA	1,062	58,259	1.8%
ECUADOR	1,058	79,923	1.3%
BOLIVIA	678	66,686	1.0%
REPUBLICA DOMINICANA	564	23,234	2.4%
SENEGAL	434	18,596	2.3%
RUMANIA	410	245,325	0.2%
PERU	406	39,425	1.0%
NIGERIA	405	6,106	6.6%
INDIA	310	12,676	2.5%
ALGERIA	244	10,223	2.4%
BANGLADESH	230	4,654	4.9%
ARGENTINA	184	28,522	0.6%
PARAGUAY	172	31,672	0.5%

We see 1% of all eligible immigrants in Spain are involved as agents in retail payment services. We see in the second column that 2.1% of all Moroccans who were inscribed in the Social Security are money transfer agents.

The most striking item is how prevalent the activity of money transfer agent is for nationals from Pakistan. In fact, 11.6% of all eligible Pakistanis in Spain who have formal work permits there are agents of money transfer companies. This means that an immigrant from Pakistan is ten times more likely to become a retailer in financial services than the average immigrant. As we see, 6.6% of all eligible Nigerians are money transfer agents and 4.9% of all Bangladeshi are agents. And in the case of India the percentage is 2.5%, double the 1% national average. Given that the average is just 1%, the high propensity to become money transfer agents shown by those four groups nationality groups cannot be due to a random effect. It is clearly a matter of intended specialization.

1.6. Specialization

Now why do Indian and Pakistani immigrants show this high propensity towards retail business?

It could be that the propensity of Indian migrants towards the retail sector of money transfer is related to the remittances sent by Indian migrants themselves.

But according to the data available, India and Pakistan are not among the leading corridors for remittances sent from Spain. According to the latest figures published by the Bank of Spain, the leading destination of Spanish remittances in 2013 was Colombia, followed by Ecuador and Bolivia. Although the Bank of Spain lists only the six leading corridors in its latest edition of its Balance of Payments (Banco de España 2014b: 27), until 2012 the Bank of Spain continued its practice of disaggregating the top 12 remittances corridors (Banco de España 2011: 27). For undisclosed reasons

the Institution changed its reporting policy in 2013 and now just presents the six most important corridors.

Figure 3. Distribution of Spanish remittance (2012-2013)

DISTRIBUCIÓN GEOGRÁFICA DE LOS PAGOS DE REMESAS EN 2012 Y 2013 (a) CUADRO A.11
Principales países destinatarios. Porcentaje sobre el total

	2012	2013
Colombia	16,2	14,6
Ecuador	12,6	12,7
Bolivia	7,6	7,5
Rumanía	5,8	6,0
República Dominicana	4,8	5,1
Marruecos	4,5	4,7

FUENTE: Banco de España.

a La desagregación geográfica se obtiene a partir de la información comunicada al Banco de España por las entidades de pago.

However, in 2010 and 2011 Pakistan was eleventh among the top destinations of remittances from Spain, with less than 2% of the total. Since the number of Pakistani migrants in Spain has not increased during the latest years (in fact total immigrant numbers have decreased due to the economic crisis), we might reasonably assume that its level in 2013 would stand at about the same percentage.

This indicates that Pakistani retailers in payment services cater to clients whose nationality is different than their own. The same can be said for Indian and Bangladeshi retailers.

Figure 4. Distribution of Spanish remittance (2012-2013)

DISTRIBUCIÓN GEOGRÁFICA DE LOS PAGOS DE REMESAS EN 2010 Y 2011 (a) CUADRO 1.11
Principales países destinatarios. Porcentaje sobre el total

	2010	2011
Colombia	17,9	17,7
Ecuador	12,8	12,9
Bolivia	8,5	8,3
Rumanía	5,3	5,0
República Dominicana	4,0	4,8
Paraguay	4,5	4,1
Marruecos	4,1	4,0
China	3,5	3,5
Perú	3,6	3,2
Brasil	3,5	3,2
Pakistán	1,7	1,6
Filipinas	1,4	1,6

FUENTE: Banco de España.

a La desagregación geográfica se obtiene a partir de la información comunicada al Banco de España por los establecimientos de cambio de moneda.

2. Indian retail entrepreneurs

The second part of this report focuses on Indian retail entrepreneurs, first analysing several points in the Bank of Spain dataset. The analysis is complemented by a qualitative survey of in-depth interviews with a sample of agents from India. The sample was selected at random from the general list.

In this part of the research we experienced a general reluctance on the part of the agents to be interviewed, either by telephone or in person. Although they are aware that their name, tax ID and other information is publicly displayed in a public register, the agents did not seem to be at all aware of the consequences: that anybody could locate them, even if it is for purposes not directly related with their professional activity as payment services agents. So, the request for an interview came as a surprise to all of them. Their initial reaction was negative, and in most cases the interviews were a failure. One reason that might explain their reluctance is the fact that their activity involves managing large amounts of cash on behalf of their clients. Taking into account that the typical transfer from Spain is about € 250, it is possible that those agents have more than € 3,000 in their stores at any one time. Robberies are not unheard of among those agents and this may explain their reluctance to speak about their activity. The result was that only eight full interviews were completed: three with women and five with men.

2.1. Portrait of Indian retail entrepreneurs

Indians show a strong preference for Spain's Mediterranean regions, with 256, or 82% of them based there. It is a curious concentration, since most of them arrived in Spain by chance. Only two of the agents in the survey specifically immigrated to Spain. The rest had experienced failed landings in other countries and arrived in Spain as a "Hail Mary" last shot. If uninformed about Spain, they nevertheless severed their ties with India. Only one of these eight agents has a business that focuses on India, but that is in their side activity as travel agent. The rest do not have Indian clients.

As mentioned earlier, half of the 310 Indian agents have traditional Sikh names which presumably indicate a Sikh background and a family connection with Punjab. This means that a minority religion and a very small state from India, have come to dominate the diaspora group in Spain.

Most surprising is that 20% of all the agents are women. For these women, the personal nature of the agency contracts means not only a business, but also status: they have a full work and residence permit, social security; they own the location (at least the rent contract is theirs), the telephone line is theirs, they receive training and equipment, and payments are credited to them. They can even sell the business if they wish, while in the event of a divorce, they will keep this activity, as it cannot be transferred without their consent. To be an agent has an empowering effect that allows spaces of personal autonomy seldom enjoyed by the average immigrant woman.

Half of the agents surveyed can be considered serial entrepreneurs, as they own several businesses, including travel agencies, supermarkets or IT services. Some have even built a highly sophisticated financial services venture that involves not only sending remittances but also paying them or owning a licence from the central bank to offer currency exchange services.

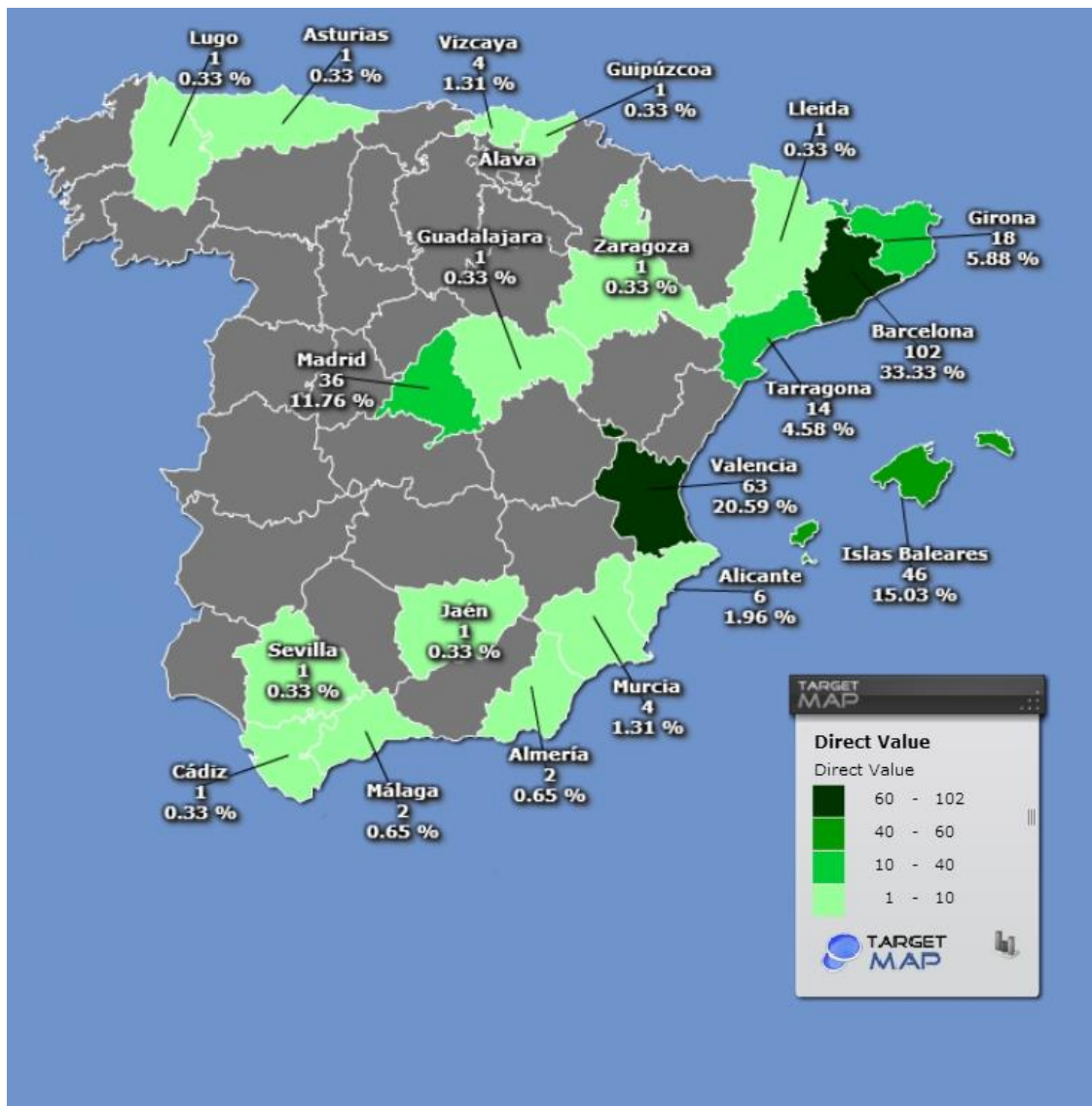
The average investment made by the agents who were interviewed is 20,000 euro per store, though some stores earn as little as 5,000 euro. Apart from one agent who inherited the store from his father, the investment was always financed with the immigrant's savings, supplemented in a small number of cases with bank loans and equity sold to family members. The build-up of savings occurred over quite a long period during which these projects matured, lasting between five and seven years. During this time the immigrant worked as an employee for a third party, learning the language and local customs, and obtaining all the required documents to become an agent.

2.2. Location: Mediterranean India

The Bank of Spain’s register of payment institutions’ agents lists 310 Indian agents; 257 of them are based on the Mediterranean coast. There are 28 *Provincias* (states) in the interior of Spain where there are no Indian immigrants offering their services.

This is a striking distribution, since the main concentration of immigrants in Spain is in Madrid, but only 11% of the Indian agents are there. They seem more interested in coastal *Provincias* like Barcelona (33%) and Valencia (20%). The distribution of Indian agents replicates the tourism hotspots of Spain, suggesting that they are responding to the expatriates and tourists market. Two of the interviews suggested this: Meenakshi Bhatia³ has just received her licence to offer currency exchange services to the tourists who arrive in Valencia on cruise ships, and Neetu Malhi, has three travel agencies in Murcia, Valencia and India. However, the rest do not seem to be in contact at all with this market. If there is fleeting contact, it is indirect, perhaps in providing services to other immigrants who work with tourists in hotels, on beaches and in restaurants.

Figure 5. Distribution of Indian agents in Spain



³ These are the real names of the agents interviewed.

2.3. Sikh lead

As mentioned above, the Bank of Spain's payment institutions agents' register contains a total of 310 agents who are Indian nationals; 156 or 50% of them have traditional Sikh names, namely "Singh" or "Kaur". Of course, nothing prevents non-Sikh people from adopting Sikh names, but the purpose of those names is to identify the person as a member of this religion that is centred on Punjab. Although Sikhism is a religion and not an ethnic group, most Sikhs share strong ethnic ties because Sikhism has seldom sought converts. For this reason, some countries, such as the USA, have designated Sikh as an ethnicity on its census, something that has not gone unchallenged.⁴

Consequently, we can consider those names as a strong indication of the religion of their holders and of their geographic origin. It is important to note that Sikhs are a very small minority in India, while Punjab is a small state in demographic terms. So, it might be considered a surprise to find that they represent the majority of Indian money transfer agents in Spain. Punjab may be small but it is the Indian state that is most dependent on remittances, and in fact, it is, after Kerala, the leading remittance receiving state in all of India. Punjab receives 12.7% of all remittances sent to India (Tumbe 2011). This importance of remittances may explain why Punjabi people have apparently developed a higher propensity towards this business than other Indians.

2.4. Women are relevant

Among the 310 Indian agents, 80% or 246 are men while 64, or 20% are women.

The identification of gender is facilitated by the abundance in the list of mandatory traditional Sikh names, which are different for males and females. Out of the 246 male agents, 112 have Sikh names, with "Singh", meaning "lion", as the first name or surname. Sikh Guru Gobind Singh mandated this name for all baptized males. In the list there are also 134 males with non-Sikh names, such as Kumar ("Prince") or Lal ("Beloved").

Out of the 64 females, 44, or 64%, have "Kaur" as a first name, or surname. It means "Princess" and it too is mandatory for all baptized female Sikhs. The rest of women's names in the list are non-Sikh names, have such as Rani, meaning "Queen" in Sanskrit, or Rupinder, meaning the "beauty of the god Indra".

It is a surprise to find that in 20% of the cases a woman is the rights holder of the payment services business. As the law is clear on the personal nature of an appointment as agent, these women control the earnings produced by this activity, since their pay has to be credited to them personally. In the event of a divorce, the woman will retain ownership of this activity, and she is entitled to sell it if she wishes. Moreover, any woman formally appointed as a payment services agent also owns the relationship with the payment institution that has appointed her. This means that she is entitled to receive professional training from the Payment Institution, which would allow her to grow professionally. The training in question deals with several areas of the business. To start with, agents receive training in how to use the IT system and how to make a transaction. Of course, this includes basic training in how to use a computer and a scanner. But this training also deals with regulatory areas, since Article 39 of the Royal Decree 304/2014, on training, asks payment institutions to provide their agents with training in techniques to prevent money laundering and measures against the financing of terrorism. Moreover, the requirements to become an agent, discussed in the first section of this document, include the obligation to have a full residence and working permit, to pay taxes and to be inscribed in Social Security. This means that formally, these women are not in a situation where they depend on their husbands for any administrative reason. These women can work in any other activity where employment is available, they can visit a hospital under their own name, and they will

⁴ See Petition to Disaggregate Sikhs Correctly in the 2010 Census, available on: <http://www.unitedsikhs.org/petitions/census.php> [Accessed 18 October 2015].

have built a tax payment history and a full banking record on their own that may serve as the basis for a loan and starting a new business.

So being an agent of payment services has not only offered these women the opportunity to own a business. But their status as an agent has empowered them, allowing them spaces of autonomy seldom enjoyed by the average immigrant woman: this average woman will be involved in selling clothes or vegetables.

The existence of these women as agents also offers a very significant illustration of the non-discriminatory nature of the payment services business from all points of view. If these women are agents, it is because the law allows it, and the Payment Institutions that they represent do not have any gender bias. Clients, this evidence would suggest, have nothing against trusting a woman with their money.

However empowering this situation may be, it is not a guarantee that these women live an independent life. All cases analysed were about married women whose husbands also had a role in other areas of the store. All of these women arrived in Spain after their husbands obtained the means and the necessary papers, including a house and the resources to start their own business. For all of them, migration is a family project.

There are women working as agents, but they do so from within a family, with their husbands and/or sons helping or directly leading the operation. We have not found a woman agent who has developed the business by herself, as a standalone entrepreneur.

2.5. An immigrant business

Money transfer is a small business that entails a great deal of responsibility. The agents get a cut of every transfer they make. This cut is expressed in different ways by the payment institutions they represent. In some cases it consists of a percentage of the amount sent, in others it involves a fixed amount for every transfer. Most combine both methods. But an agent typically gets around € 2.5 for every transfer made. One agent explains that there are “some companies like Western Union that pay less, while others pay more”. It would be necessary, then, to serve more than 1,000 clients monthly to get € 2,500. This would mean more than 30 clients every day.

Of course there are very few agents with a monthly income of € 2,500 and most agents just get a fraction of that. This may well be one of the reasons why payment service agents are normally immigrants. With such low income, Spanish entrepreneurs are likely to be looking for opportunities elsewhere. It is also true that this low income also corresponds to a low investment, that averages € 20,000 per store, although the lower end of the bracket is as low as € 5,000.

2.6. Multiproduct: Seasonality and cross-selling

The agents' main problem is the seasonality of their business, which most of them confront with a cross selling strategy. Seasonality is another important trait of the business of money transfers.. The number of clients peaks on paydays. Which means that the rest of the month agents are not so busy. That's why most agents also sell other products in their stores. The most common store is what is called a “*locutorio*”, or telephone parlor in Spain. It is intended to serve immigrants' needs, selling cheap telephone calls, usually long distance, either directly through a phone parlor installed inside the shop, or through selling prepaid discount phone cards. It usually also offers the use of computers with internet, sells photocopies and sends faxes on behalf of the clients. Since the use of smartphones allows cheap long distance calls through the internet, immigrants no longer need a phone parlor, but they do need devices for their smartphones, like chargers and earphones. Those products can also be found in a typical *locutorio*. In all but one of the cases analyzed, the agents also sells more specialized products such as memory cards for smartphones and indeed in most cases, the smartphones

themselves. None of the agents surveyed knew the meaning of “seasonality”, but all of them are very conscious of the need to sell several products in order to draw in customers on every day during the month. They were not familiar with “cross selling”, either, but they know that a client coming to purchase payment services may also be interested in other products for his or her smartphone and *vice versa*.

2.7. Multibrand: widening choice, reducing idle time

Agents tend to represent several money transfer companies. Their objective is to offer a wider choice to their clients, as well as insurance in case there is a failure in any one operator’s system. As money transfer companies are only allowed to place transfers through an internet- based system, they can from time to time suffer the same failures as any other web page: problems with software, bandwidth, etc. In this case, an agent can switch to the other supplier. Another reason to represent several companies is to reduce dependence on one supplier, allowing an agent some room to negotiate fees or payment dates.

2.8. Serial entrepreneurs

One of the most striking results of this survey has been the highly sophisticated entrepreneurs turned up in the sample. Half of them could be considered serial entrepreneurs, in the sense that they own several stores and even several different businesses.

Out of eight cases, four involve entrepreneurs, all males who operate several ventures. For instance, Mohamad Haroon operates two locations in Parla (Madrid) that consist of stores where he offers payment services and repairs smartphones and computers. The second location is a satellite, where he gets equipment to repair in the main shop.

The other cases reflect the personal story of the immigrants who during their years in Spain have accumulated several assets. For instance Daljeet Singh has a *locutorio* in Vic (Barcelona) and a small convenience store selling food and vegetables that was his first business in Spain. This is also the case for Rajiv Arora Kumar, who started his business with as a clothing store, and later opened his own *locutorio* in Colmenar Viejo (Madrid). Later, he started an Indian restaurant. In those cases the strategy seems to be to just respond to opportunities on the ground.

But there also examples of careful planning and execution of a business plan, like Neetu Malhi, who started with a small travel agency selling plane tickets to other immigrants, and also payment services in Torre Pacheco (Murcia). Later he finetuned the focus of his business to include Spanish clients seeking travel services to India, which led him to open another agency in Valencia. As his clients to India increased, he opened a third agency in India to provide reception services to clients arriving in India, such as airport transfers, guides, car rentals, etc.

This level of sophistication is also evident in the case of a woman, Meenakshi Bhatia, who claims to be an “independent agent” (not belonging to a bank or post office). This means that she not only sends remittances, but also pays them out: she is the only example of this on our list. This means that she has enough cash stocked in the store to pay incoming transfers to their recipients. Without a doubt, most of the cash comes from the clients who want to send money, which allows her to organize a mini “clearing and settlement” process with the money transfer companies she represents. In this situation, her strategy has been to deepen her specialisation in financial services by requesting and obtaining a licence from the Bank of Spain to offer currency exchange services. This new business increases the need for hard cash in the store, while it also requires her to open foreign currency accounts at the bank. Meenakshi Bhatia’s business involves a level of financial complexity seldom seen outside banks.

Immigrants who are serial entrepreneurs are also immigrants who create employment. They may have several ventures, but they cannot be present in all of the mall of the time. These serial

entrepreneurs are clearly not in the business of self-employment; they also create wealth for others. They are immigrants whose economic proposition is not manpower, but investment skills. However, it should be kept in mind that their main drive is the low earnings they get in each store. For them, the only way to improve their position is to open another store: the stores are unlikely to make more money individually.

2.9. Spain by chance

Just two of the cases analyzed arrived in Spain with some knowledge of the country and planning to live here. Rajiv Arora knew Spanish tourists in Punjab, while Meenakshi Bhatia first migrated to the U.S., but once there, decided to come to Spain. The rest of them arrived in the country as a second choice after failed landings in other countries. Shervan Gumber arrived in Spain after a setback in Germany, where he couldn't get his papers, while Neetu Malhi went first to the Netherlands where he was unable to get a residence permit. In general, the immigrants are adaptive, settling in the country with the easiest conditions for them. This situation has forced them to spend time learning the local language and the market. All of them started out as employees while they were getting all the required papers to become agents. In this formative period they learned the language and tried to get to grips with the local mentality. This employee period lasted between four and seven years, during which they built up enough savings to finance their investment and to become self-employed.

2.10 Not focusing in India

Only one of the agents surveyed has business links with India, Neetu Malhi, who has a travel agency there. The rest do not focus on the country at all. They did not focus on Indian clients for money transfers, either, but on the wider immigrant community: "Many Latin Americans came to buy equipment for their phones, but ended up sending money home as well".

2.11. Financing the venture and time in Spain

Immigrants who become small entrepreneurs differ from salaried workers in the risk that they assume: they are investing money in the venture. Since retail requires investing a significant amount of money, this poses the question of where the money comes from. Our survey reveals that the average investment in the stores is around € 20,000, while some shops required just € 5,000. A significant part of the investment is used to build up an inventory of products or equipment not directly related to payment services. For instance, computers are put on display to be rented, or smartphone equipment to be sold. With the exception of one case of an inheritance, all the businesses surveyed were financed with immigrant savings. In a small number of cases the savings were supplemented by bank loans and relatives' equity participations.

2.12. Time

Building up savings to invest in a store requires time. In fact, we have found that becoming a payment services agent is the culmination of a process that can last for years. On one hand, only resident immigrants can request a document from the Spanish Justice Ministry stating that they don't have a criminal record, a necessary document for becoming an agent. Moreover, with a full work permit it is necessary to file taxes, and therefore it is necessary to be enrolled in Social Security.

So, even if the immigrant enters Spain legally with a working permit, he would have to wait months to achieve the legal status required to become an agent. Given that most of the agents surveyed arrived in Spain by chance, with no information about the country or knowledge of the language and culture, it has taken somewhat longer to get all the necessary documents. The agents in the survey

invested between five and seven years to get their stores. This long time span is compatible with the time required to build up enough savings to start the venture.

Conclusions

C.K. Prahalad (2004) famously said that “the typical pictures of poverty mask the fact that the very poor represent resilient entrepreneurs and value conscious consumers”. The same could be said about low income immigrants, frequently associated with poverty and deprivation.

They are typically considered the lowest class of salaried workers, whose main, or sole economic proposition, is as a labor force, frequently abused, even brutalized. From this point of view immigrants can appear to be passive economic agents who depend on native entrepreneurs and, therefore, come and go with the ups and downs of the economic cycle.

The case of Indian immigrant retailers of payment services described in this article show that immigrants are not only salaried workers. There are also investors among them who possess significant skills as entrepreneurs, even if they stand at the bottom of the pyramid (*ibidem*) of entrepreneurship. The investment made by immigrants is not a large one, but still, those immigrants are risking their savings, creating wealth for themselves and employment for others. It is particularly significant in the case of Indian women entrepreneurs, for whom payment services has meant not only a business, but empowerment and a status clearly above what is usual among immigrant women. Seen in terms of entrepreneurship, those Indian immigrants may have not achieved large revenues, but they clearly own their own economic destinies while helping society as a whole through their efforts.

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Annex. Interviews

1. Monika Gumber

Name: Monika Gumber

City: Benimant, Valencia

This a family run business under the name of the wife, Monika Gumber.

She is not a front for the operation, but she runs it in person. However, the reason why she is in Spain is her husband Shervan, an Indian entrepreneur from Haryana state, near New Delhi.

He arrived into Spain in 2001, at a time when he “didn’t know where Spain was”. In fact, Spain for him was a Hail Mary shot after an unsuccessful landing in Germany. After arriving there at the end of the year 2000, he realized that “getting a working permit in Germany was difficult”. In addition, there were few business opportunities and the language seemed difficult. He was already thinking about coming back to India, when he discovered that a friend from his neighbourhood in Haryana was in Spain. He got in contact with him and learned that in Spain it was easy to get a work permit and that employment opportunities existed at the time. And “this is the reason why we are in Spain”, a country with which he had no prior experience.

Slowly he learned Spanish and started working as an employee. In 2003, with a full residence permit, he went back to India to marry Monika, and they returned to Spain as a married couple.

Now their children attend a Spanish school.

Their first business was a small 20 square meter store. From the beginning, they specialized in payment services and mobile telecommunications equipment. His wife Monika led the payments services effort, having been formally appointed as an agent. Monika explains that she “is better with numbers than him”. Neither one of them had any previous experience in banking or financial services. They choose this activity because “it was available”. From the beginning they wanted to have a parallel activity, “that could bring more people into the store”. For this reason, the husband started selling mobile telecommunication equipment and selling parts like earphones and memory cards in the same store.

They financed the store with their savings. The total cost was “below € 10,000”, mainly for the stock of telecommunications products.

Her payments service activity has never been ethnically focused, since she caters to a wide variety of nationalities, including Latin Americans and Africans. In some sense, the focus on the wider immigrant community was a consequence of his other business. “Many Latin Americans came to buy equipment for their phones, but ended up sending money as well”. Monika is an agent for only one money transfer company called Ria.

In 2010 the couple sold their old store and opened a new, larger one, with more than 120 square meters and one employee. Now their main business is telecommunications, selling not only earphones

and batteries, but also brand new telephones, SIM cards and all the related gadgets. Money transfer is still important for the couple, but its importance is declining.

Shervan estimates that the total investment for their new store was € 50,000. It was difficult to finance since their family did not want to sell their old store until the new one was working at full steam. “We live off the store, we can’t afford to have a blank month”. They financed the new store with the help of his family in India. Shervan’s three brothers in Haryana are also small entrepreneurs working in construction, the dairy industry and retail. They supported them with € 20,000 lent on soft conditions, without collateral and interest free. The couple also raised € 20,000 from a local bank, covering the balance with their savings. Later they repaid part of the loan with the revenue obtained by selling their old store.

They have never sought to be anything other than retail entrepreneurs. Shervan only worked as an employee during a brief period, while learning Spanish. Monika has never been employed by a third party.

Now the couple is looking for further retail opportunities as a franchisee of a local supermarket company called Dia.

“Our objective in life is that all our clients leave the store happy”.

2. Nitin Kumar Gulati

Name: Nitin Kumar Gulati

City: Barcelona

Nitin arrived in Spain with his parents when he was eleven years old. He came from the state of Punjab, in northern India.

Now 23 years old and speaking perfect Spanish, he manages the family store, a small one, where he sells telecommunications equipment along with other products including payment services.

Nitin says that he has many money transfer clients during the first days of the month, when salaries are paid in Spain. During the rest of the month, “money transfer is not so busy”, so the store needs to sell other products to get income during all the days of the month. Nitin gets an average of € 2.5 for every transfer he makes. “Some companies like Western Union pay less than that, while others that pay more”.

This is another reason to complement payment services with another activity that allows him to earn enough to pay the salary of his employee.

The original investment of € 20,000 for the store was financed with a bank loan

He is primarily an agent for Western Union and Moneygram, although he also represents other companies like Europhil. He explains that if the system used by one company for placing orders doesn’t work, he needs an alternative.

His business focus is not on the Indian community, but on the entire community of immigrants. Since he attended school in Spain, he speaks perfect Spanish and can communicate in Spanish without a problem.

He has never sought to be an employee, and his objective is to keep his current store. Nonetheless, he says that from time to time he thinks about becoming an employee since he received formal education in Spain and has a high school diploma.

3. Meenakshi Bhatia

Name: Meenakshi Bhatia

City: Valencia

Meenakshi is a woman and she arrived in Spain ten years ago.

As with most other Indian entrepreneurs, Spain was her second choice. She spent the first five years in the United States, where she arrived from her native New Delhi. Although she is a woman, she is present at the counter and runs the business daily.

Meenakshi explains that she came to Spain because she wanted a Spanish education for her son. While living in the United States she realized how important the Spanish language is. “In my New York neighbourhood there were more people speaking Spanish than English”. Foreign languages have been very important in Meenakshi’s life. Along with her husband, she was educated in a Christian school in New Delhi, where the language was English. In fact, she says that their mother tongue is English.

They have no employees and she manages the store with the help of her husband.

The couple arrived in Barcelona from the United States, but found no opportunities. They also found that most schools there are Catalanian speaking, so they didn’t hesitate to move to Valencia, where they worked for five years as employees. In 2009 they lost their jobs at the beginning of the crisis.

Instead of returning home with the money they had saved, they decided to invest it in a business. It is a shop of 40 square meters facing the Port of Valencia. Their investment was € 30,000s and from the beginning they focused on payment services. India is not an important destination for their transfers, and they don’t have Indians as clients. The store location, with a large flow of visitors from the harbor, from sailors to cruise passengers, allowed the couple to deepen their specialization in financial services. Meenakshi explains that they send remittances with several companies like Small World or Titanes. But they also became a pay outpost for remittances. She explains that they are the only independent agent authorized by Western Union to pay remittances. By independent, she means not belonging to institutions such as banks or the Post Office. Western Union pays more for this service of paying remittances to their recipients than it does for sending them.

Still the couple want to add to their specialization and they have just applied to the Bank of Spain for a license to offer currency exchange services to tourists who come to Valencia on cruise ships. She hopes that this business will produce more income than the rest. “The margin in the exchange of banknotes exceeds 20%”, she explains, “the bank charges even more”.

Meenakshi explains that their objective is a family one. They came to Spain for family reasons, they started the business as a family, and they run it without employees. Their son is their future. He is now a teenager who might be interested in the family business. If so, they will open more stores.

4. Neetu Malhi

Name: Neetu Malhi

City: Torre Pacheco, Murcia

Neetu is a very sophisticated entrepreneur focused on tourism. For him payment services are just a side activity. He is the only entrepreneur interviewed whose business is related to India.

Neetu has three travel agencies, two of them in the Murcia region and another in India.

He lives in Cartagena, and commutes daily to Torre Pacheco to oversee his stores.

Like most of the entrepreneurs interviewed, he arrived in Spain as a second choice. When he left his native Punjab, he went to the Netherlands but found no jobs there and it was very difficult to get a

residence permit. He got word of the opportunities in Murcia from a friend who was living there and he decided to go to Spain, without speaking Spanish and without any prior knowledge of Spain.

After several years as an employee, he spotted the opportunity for a travel agency where he invested 35,000 euro from his savings.

In the beginning, he was focused on selling plane ticket to immigrants who wanted to take holidays in their home countries. His main destination was Latin America, with countries like Colombia and Ecuador at the top of the list.

Success allowed him to open a second agency in Valencia. He then started a new focus on tours to India that he sells to Spanish clients. This allowed him to open a third agency, this one in India and it specialises in receiving foreign tourists, selling transfers from and to the airport as well as excursions.

Now India is the top destination for his travel agency, catering to Spanish tourists.

He financed the business with his own savings.

So for him payment services are a side business connected with his tourism activity. He sends the money to pay for hotel fares and other services. Some of his clients who buy tickets for Latin American also use his payment services to send money home.

5. Sunita Sharma

Name: Sunita Sharma

City: Palma de Mallorca

Sunita is another woman who runs the business, and it is curious that she does not speak Spanish. The interview was done in English, a language in which Sunita is not totally fluent. Finally, the interview is completed with the help of Sunita's daughter, who speaks excellent Spanish.

Sunita's story is again one of family migration. Her husband arrived in Spain ten years ago. For five years he held various jobs, finally achieving an economic position that allowed him to return to New Delhi to bring his wife Sunita and their two children to Spain.

The family came to Spain in 2010, however Sunita has not learned the language, apart the most simple words to manage the store.

In 2013 the family set up a *locutorio*, a type of business in Spain that offers long distance phone calls, as well as the use of computers and associated services such as printing documents, fax and photocopies. In addition, payment services are offered. The *locutorio* is the most common configuration of a business involving payment services, as it is centered on meeting all of the needs of immigrants.

The investment in the *locutorio* amounted to € 25,000, financed with savings from her husband. Most of the investment went toward buying computers that customers could use for a fee. Now she is thinking of opening a new facility and expanding the business.

Amazingly, she has little knowledge of Spanish, which apparently "does not affect the business", as the key words are simple and very few.

Sunita is the immigrant in this study who is the least integrated into the local culture, perhaps because she does not really need to be. She has never had nor has sought to have Indians as clients. "We are very few in Spain", she says.

Their clientele are people from Latin America and Eastern Europe.

6. Daljeet Singh

Name: Daljeet Singh

City: Vic (Barcelona)

Daljeet arrived in Spain sixteen year ago through relatives living in Catalonia. His origins are in Punjab.

When he arrived in Spain, he worked as employee for seven years, saving enough money to invest in his first business, a small 30 square meter convenience supermarket, and no employees other than himself. He sold fruits and vegetables.

In 2011 he saw an opportunity to start a second store, this time in the form of a *locutorio*, selling long distance telephone calls and payment services. He financed the *locutorio* with his savings, investing just € 15,000. As in any other *locutorio*, his three products are telephone long distance calls, computer use, and money transfers. He is not happy with this venture because the business of selling long distance calls is arriving at an end. Now everybody has smartphones and they can use them to call for free through the internet. This worries him because with just money transfer you can't pay expenses. Slowly, he developed a new line based on memory cards, smartphones and their accessories. Now it is the *locutorio*'s most important line of business.

He has never focused on Indian clients. Most of his clients are Latin Americans.

He works with several payment services suppliers like Money Gram and Ria, and he has been with most of them since the beginning of the venture in 2011. He has several suppliers in order to offer a wider choice to his clients.

Still, his main business continues to be the convenience store.

He has two employees.

7. Rajiv Arora Kumar

Name: Rajiv Arora Kumar

City: Colmenar Viejo (Madrid)

Rajiv is the sole Indian entrepreneur interviewed who had precise information about Spain before arriving here. He even learned some Spanish back in Punjab. He became interested in Spanish through tourists in his home country. Although he didn't understand them, he found those tourists to be nice and easygoing.

He arrived in Spain eleven years ago, spending six years as employee in a clothing store. He was in charge of the warehouse, replacing the clothes that had been bought, cleaning and later, keeping the inventory.

When he had saved enough money, he decided to create his own clothing store.

In 2011 he also invested € 10,000 in a *locutorio*, selling long distance telephone calls, memory cards, cards for telephone calls and money transfers.

Two years ago he invested in an Indian restaurant.

In each case he bought all necessary equipment second hand. Therefore the investment was affordable and he financed all ventures with his own savings.

All three businesses focus on the low income community. His clients are not Indians, but immigrants in general. The restaurant is different, because it has Spanish customers.

He has three different businesses because he likes people, he likes talking with people, and he considers himself sociable, making friends among Latinos and eastern Europeans.

Now he is fighting to keep his business open. The crisis is biting hard, but he wants to keep his business alive. He thinks that if he closes, it will be much more expensive or even impossible to reopen in the future. "I have seen it in the people from whom I bought the equipment for my stores". His workload makes it impossible to expand his activities further. I can't open more stores; I have to take care of them, but I can't go to all the places. Now he dedicates nights to the restaurant, and mornings to the *locutorio* and the clothing store.

He has two employees and a cook, while his wife helps him when necessary.

8. Mohamad Haroon

Name: Mohamad Haroon

City: Parla (Madrid)

He came from Kolkata in 2005, thanks to the help of relatives living in the UK who paid his expenses. He says that very few of the Indians in Spain come from the south of the country. He says that those southerners use to migrate from north India.

When he landed in Spain he didn't knew even know how to say hello.

His first job was working in a furniture store in charge of moving merchandise. It was very physical work that sometimes involved delivering furniture to customers who did not have an elevator in their houses.

Since he was trained as a computer technician in India, with a specialisation in hardware repair and maintenance, he tried to get his diploma recognized officially, but he was unable to do so. The Spanish education system does not recognize Indian diplomas. "Maybe this is why" he says "you don't have Indian IT wizards in Spain and they all are in America".

He left the furniture store because it was very demanding physically and he wanted to be independent, doing something related to his craft.

He opened a store for the repair of mobile phones and computers with the additional service of money transfers. His main activity is computer repair.

He owns two locations in Madrid, because that way he can get more clients. One store is the repair shop and the other serves as a satellite, receiving equipment from clients, which is then repaired in the main shop.

He has one employee in the satellite shop.

Money transfer is not related to his activity, but since it has no marginal costs, it means he can offer another product for free, without creating an inventory.

Now he wants to finish a course in Spain on hardware maintenance. He believes that he knows enough to get the diploma without attending classes.

With the diploma he will have access to more opportunities.

He invested € 15,000 in the main store and € 5,000 in the second, all from his savings.