

## **Immigrant Business Strategies in the City of Madrid**

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### **Abstract**

*This article is about the spatial patterns followed by immigrant entrepreneurs who open businesses in the city of Madrid. We have chosen six urban sectors where foreigners-owned commerces and services are numerous. We have carried a detailed study of their location, typology, nationality and entrepreneurship. Methodology used has been direct and participating observation and interviews to some strategical informants. In general, immigrant entrepreneurs try to locate better in those areas with a large immigrant population because they know the area, it is not too expensive, and they have potential clients among the people from their own country, although they also want more general clients. They open non-specialized businesses, with a small investment in goods and premises, looking for a quick profitability.*

### **Introduction**

The high number of immigrants arriving in Spain since late 1990's and, above all, their settling mainly in large towns have brought many different consequences. The most outstanding effects are shown in demography, economy, society and culture, and they are studied by very different researchers. One of the effects of immigration is the proliferation of shops and small enterprises created by immigrants basically in towns. The characteristics of these businesses and their mark on the city are the object of this work, carried out on the city of Madrid as the specific research case.

The opening of small businesses and service enterprises by immigrants plays a very significant economic role in the city, because immigrants integrate in society while their enterprises become a tool that generates self-employment, social-economic promotion and regeneration of the urban area and its social network (Beltrán et al. 2006). Function and formal characteristics of commerce, services and restauration activities give some very specific features to the commercial environment of each district (Waldinger, R., Aldrich, H. and Ward, R., 1990) Thus, ethnic business is an element that has helped aged and decayed districts to revitalize. We have to take into account that commerce is not just a trading activity and that it also has a public, social and economic dimension having an immediate incidence on social life and on the population coexistence. Our research is about the visibility of the businesses started up by non European Community immigrant entrepreneurs in the city of Madrid, as well as about their urban space-linked strategies to maximize profits or, at least, get an economic return according to their goals.

The so-called ethnic business has recently gained much presence in Madrid. In 2006, the number of businesses owned by immigrants in Madrid had gone over the threshold on which, according to the patterns seen in other regions with an older immigrant tradition, this type of business becomes relevant (García Ballesteros, 2006). Besides, the number of foreigners registered in the Social Security as self-employed workers were over 6 % in that year, according to the census of 2011, notwithstanding the slowdown the economic crisis has implied for commerce and the small enterprise.

### ***Defining Certain Concepts***

A basic issue in this research field is to clearly define certain concepts that, often, are used unaccurately or with different meanings. The term ethnic business or ethnic commerce is used referring to small commercial or service enterprises managed by immigrants. Nowadays, however, the term ethnic commerce is much discussed and not all researchers agree on its meaning (Barret, G.; Jones, T. y Mc Evoy, D., 1996) For some authors (Solé Parella, 2006) an ethnic business and, therefore, any ethnic commerce are those managed by non European Community immigrants, with independence of the type of products they sell or their potential customers. For some other authors, an ethnic business is managed by immigrants but it is specifically addressed to immigrant groups, even to people of their same nationality, although it is also accepted that they may attract people of the host country looking for exotic products. In this paper, we make use of the concept of the ethnic business or commerce in a wide manner and of the ethnic entrepreneur (Beltrán, Oso, & Ribas, 2006) meaning any immigrant entrepreneurs that start their businesses with a social capital basically linked to their groups of origin.

Another relevant question is about an useful classification of immigrant businesses, from the many existing types. Thus, Sociologist Ambrosini (1996) differentiates five types of enterprise among immigrants:

- *Typically ethnic enterprises.* They are companies that offer products and services to satisfy the demand by the foreign population.
- *Intermediary enterprises.* They sell non ethnic products and try to satisfy the demands of their own nationals (lawyers, credit agencies, etc.)
- *Exotic enterprises.* They sell products from one place to a general public and customer.
- *Open enterprises.* They have some limited relations with the ethnic group; their activity is in the general service sector and in the credit sector specifically.
- The so-called *shelter enterprises.* They integrate all the activities not included in the above paragraphs.

Solé and Parella (2006) made another classification to study immigrant businesses in Catalonia; it presents a better adjustment to the reality in Madrid and we have followed it in our work. This classification is based, mainly, on commercially-oriented criteria and it has the following categories:

- A first type is the Margin Business. It is usually rejected by the indigenous population and it is based on family work and national solidarity.
- A second type is the Ethnic Commerce and Service as Such (phone call shops, financial consultancy for immigrants, stores offering products such as arepa flour, which are very much demanded by some groups,...). They want to meet the needs of their country nationals and of other immigrants. Sometimes they become meeting points instead of a business.
- The third type is the Exotic Product Stores. They are addressed more to the indigeneous population with enough economic resources than to any foreign population.
- Lastly, the Segmented Products Store, which offers products at a price lower than in any other place (variety store or price-point retailers ...).

### ***Methodology and Sources***

Methodology is basically qualitative and is based on the systemic observation of certain commercial areas of the city where immigrant businesses have modified substantially the landscape. Field work is based basically on direct and, sometimes, participating observation in order to get the most available information. Although some general observation was made in many streets of all the districts of Madrid throughout 2010 and in the first semester of 2011, the fully systemic observation was carried out on six areas of the city, which have generated the percentage of business types, nationalities and number of employees.

The systemic observation areas are:

- The Alcalá street and its environment, in the district of Ciudad Lineal.
- The Antonio López street and its urban environment, in the district of Carabanchel.
- The Paseo de Extremadura avenue and the surrounding streets, in the district of Latina.

- The Bravo Murillo street, from Glorieta de Cuatro Caminos to Alvarado Metro Station, and the surrounding areas, in the district of Tetuán.
- The Plaza de Olavide area, in the district of Chamberí.
- The Mercado de Pacífico area and its surroundings, in the district of Retiro.

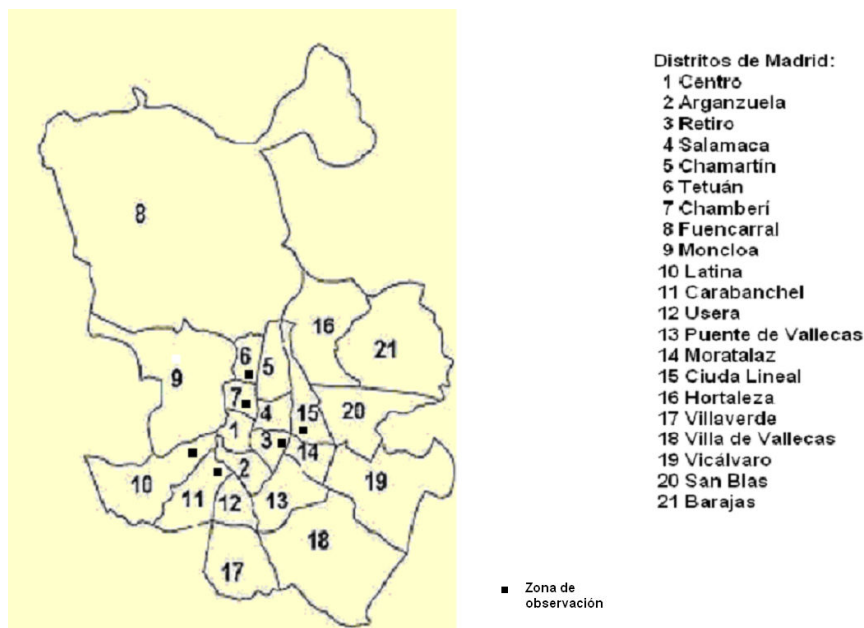
Areas were chosen as to be heterogeneous zones, including three periphery districts: Carabanchel, Ciudad Lineal and Latina; and three central ones: Chamberí, Retiro and Tetuán (see Figure 1).

In the selection, we have taken into account a series of criteria that were generated from the previous general observation. All the areas are sectors with a relevant presence of commerce and services managed by immigrants, presence that has implied a clear change in their urban landscape.

First of all, some sectors are crossed by a main axis that is always a populated shopping street, which attracts a large number of customers from the districts it crosses and also from other periphery districts that were created in 1950's and 1960's with very few stores. Said shopping streets suffered some years ago a certain decay due to the birth of large periphery shopping centers and malls that offer parking and some other attractions that it would be too long to detail here (Escudero, 2008). To this we have to add the changes in living style and in consumer habits that took place some years ago, as well as the retirement of many small store owners who were not replaced by their own children, many of whom may hold university grades and have other working goals. The opening of immigrant businesses is changing and revitalizing the retail commerce and some services enterprises in these streets.

Secondly, we have also carried out a detailed observation in some urban central sectors that do not have a consolidated shopping axis. These districts keep a certain residential function in combination with some tertiary activities, result of their position within the built-up urban area of Madrid. In most of them, the traditional commerce is being replaced by immigrant-owned businesses.

**Figure 1: Studied Areas in the City of Madrid**



Madrid's pre-industrial areas of the Central district are not included because they are much studied and have some specific features derived from their central position and their lower resident population. Some of these characteristics are: the small number of consumer goods stores, influence of tourism over shopping and restauration offer, which is larger in the historical area, and the higher specialization of central zones commerce which attracts indigenous entrepreneurs. On the other side, the so-called ethnic commerce of the Central district has been the most studied in Madrid (Buckley, 1998; Bodega and Cebrián, 2002), with some landmark immigrant business concentration zones such as Lavapiés (Zárate Martín, 2001). We have not either studied zones with a large number of luxury or highly-exclusive business as they, obviously, are not a target for the small ethnic entrepreneur.

Observation is accompanied by interviews to different ethnic business owners, chosen because they could supply us with some non visible data and who were interested in collaborating in our research.

With regard to the sources used, we have made use of statistical information supplied by the Statistics Agency of Madrid's Town Hall and by the Statistics Agency of the Government of Madrid, to measure the relevance of non-European Community aliens in the commerce activity of Madrid.

Bibliographical sources have also been basic because, as already said, some previous works have been carried out on this subject in some specific areas in the city (Buckley, 1998; Bodega and Cebrián, 2002) or focused on some specific groups as the Chinese community (Tébar, 2010). A basic work is a report made for Madrid's Town Hall called "*Efectos de la presencia de la población inmigrante no comunitaria en el tejido comercial de la ciudad de Madrid*" (Effects of non-European Community Immigrant Population on Madrid' Commerce), in which authors collaborated. All these works have helped us to complete our ideas on the spatial strategies handled by immigrants in their commerce activity, as well as to corroborate our conclusions or, on the other hand, to tone them down.

### ***Immigrant Irruption in Commerce in Madrid***

We have to keep in mind that in Madrid, like in other large cities, commerce is an economic activity that is very relevant both in terms of local units and of economic value and employment, although it is suffering a certain slowdown as a result of the crisis. Thus, according to the situational analysis of the last economic barometers, the contribution that the service sector is making on the city's GDP has decreased less than those of other activity sectors, although its occupation falling rate has increased. Within the service sector, the small commerce is one of the activities most affected by the loss of jobs.

Commerce, however, is still a basic activity both in the Region of Madrid and specifically in the city of Madrid. And it is a job niche attractive for foreigners settled in the region. Thus, according to 2010 data of former Ministry of Labour and Immigration, of the 301,803 foreigners registered in the Social Security General system in the Region of Madrid, 52,925 people are entered in commerce, which amounts to 17.20% of the total, just the second group after restauration, and of them, 37,336 were non-European Community people (71.90%), which are values higher than those we had for the data in Table 1. And in the Social Security Self-employed system, under commerce, there are 10,016 foreigners (30.23%), of which 8,322 (83.08%) are people from non European Community countries, mainly Ecuador, Peru, Colombia, Morocco and China.

**Table 1: Foreigners Registered in the Social Security per Business Activity in the Town of Madrid (1-I-2008)**

BUSINESS ACTIVITY	No. of foreigners registered in the S.S. per business activity in the Town of Madrid	% over total
Agriculture, cattle, hunting and forestry	663	0.31%
Fishing	1	0%
Extractive Industries	309	0.14%
Manufacturing Industries	7,359	3.44%
Electric power, gas and water production and distribution	129	0.06%
Construction	37,007	17.28%
Trading, repairing of motor vehicles, motor bikes and motorcycles, and personal and household goods	32,122	15%
Restauration and Catering sector	36,903	17.23%
Transportation, storage and communications	10,662	4.98%
Financial Intermediation	2,830	1.32%
Real Estate and Leasing Activities, Company Services	58,103	27.13%
Public Administration, Defense and Compulsory Social Security	1,324	0.62%
Education	5,314	2.48%
Health and Veterinarian Activities, Social Services	10,684	4.99%
Other social activities and community services, personal services	9,546	4.46%
Households with Domestic employees	888	0.41%
Extra-territorial Bodies	360	0.17%
Total of business activities	214,204	100%

Source: Statistics Institute of Government of Madrid.

To assess the situation of foreign immigrants in the sector and in the city of Madrid, we are going to study first of all the latest data published by the Statistics Institute of Madrid about Social Security registered people in the municipality of Madrid. Under the different commerce items, there were 257,294 people (15.10% of the total of registered people), of which 12.48% were foreigners (32,122) and who were most significant in the sectors of car sale and maintenance, foodstuff stores (basically in greengrocer's, bakery shop, confection stores, with a high number of franchises), clothing and in hypermarkets, supermarkets, self-service stores and department stores (Table 2).

**Table 2: Foreigners Registered in the Social Security in Different Economic Sectors in the Town of Madrid (1-I-2008)**

ECONOMIC SECTORS	No. of foreigners registered in the Social Security	% over total
Cars and Vehicles	2343	7.29%
Wholesale Stores	7548	23.50%
Hypermarkets and supermarkets	5630	17.53%
Department Stores	1110	3.46%
Food Retail Stores	7224	22.49%
Textile and Shoes Retail Stores	2851	8.88%
Other Retail Stores	5416	16.86%
Total	32122	100%

Source: Statistics Institute of Madrid.

The relevance of service enterprises and commerces owned by immigrants is high, since first they help to integrate immigrants in the host society and second they help to create employment, specially for immigrants themselves, and they act as a means of social promotion. It is also thought that they are helping the re-birth of the local small commerce, which is recovering the economic relevance and social value it had some years ago.

### ***Types of Business***

Businesses most usual among non-European Community immigrants are shown in Table 3, according to data collected in the areas previously mentioned.

Almost half of them engage in restauration or are foodstuff stores. That is, two sectors of daily consumer goods which are less influenced than others by economic crisis and consumer falls. Foodstuff stores are much desired by immigrant entrepreneurs because those stores sell consumer goods and must be located in every area. They are, therefore, feasible businesses even if its profits are not very high. Under this heading, we have included general foodstuff stores, most of them owned by Chinese people, greengrocer's, butcher's, baker's shops, as well as candies and nuts shops, which are not related much to commerce strategies in the foodstuff sector. We have to point out that Latin-American-owned greengrocer's shops are increasing their number; they usually have Latin-American products as well as Spanish fruits and vegetables. There are also greengrocer's shops owned by Asian nationals, basically from Bangladesh, Pakistan and Iran.

**Table 3: Types of Business Owned by Foreigners**

<b>TYPE OF BUSINESS</b>	<b>% over total</b>
Food store	26.79
Restauration and Catering	20.09
Clothing, Shoes & Accesories	20.09
Phone Calling/Money Remittance	11.16
Hairdressing & Beauty	7.14
Bazaar	6.25
Telephones/Computers	3.13
Agencies and Administration Offices	1.79
Drugstores, Notions stores/Haberdasher's Shops	0.89
Workshops	0.89
Clothing Alterations and Cobblers	0.89
Others	0.89
Total	100.00

Source: Own make

They are traditional economic activities (phone calls stores, bars, greengrocer's shops, clothing, foodstuff, etc.), some of them actually in crisis, which give opportunities to immigrants when the Spanish owners retire or by some other causes such as the proximity to leisure areas or religious buildings, to transport interchanges or to areas from which the indigenous population has withdrawn due to the pressure of the shopping centers and large malls. In this sense, economists and other experts are agreed on pointing out that the traditional retail commerce is going to have many problems to survive, and that specialized shops or stores such as the bazaars where low-quality products can be found at an attractive price, and the convenience stores, with a wide schedule and consumer goods for punctual needs, will be the only commerce to survive. The definition of the convenience store is the definition that best adapts to the food stores and the variety stores owned by immigrants in the cities.

In general, immigrant-owned stores usually offer products and services cheaper than those of the indigenous shop-owners, so they result much more attractive to any Spanish and immigrant potential customers, such as aged people, women with little mobility and, generally, groups with less economic resources.

Immigrant entrepreneurs offer in their stores and establishments products and contents that are true symbols of their identity and which, therefore, are profitable because those products call clients from their own country (search for locations in districts with a potential number of immigrants that may demand them); but entrepreneurs also offer profitable goods that are attractive for the general population (for instance, hairdressers, ethnic restaurants and even some greengrocer's, baker's and confectionery shops). They also open stores in which, thanks to importation (and possible to more or less lawful workshops with lower production costs), store retailers can offer products at cheaper prices than other indigenous store owners (clothing stores, bazaars, household appliances stores, etcetera).

There are also trends or fashions about businesses. Thus, some years ago, many phone calling shops were opened, which nowadays have closed or diversified their services due to the wide spread of mobile telephones. Now, there are many beauty and nails/manicure shops. Commerce owned by Chinese people is the most frequent, and it also shows these changes. Bazaars and food stores are changing into modern clothing and accessories stores, with products made in China.

### ***Nationality of Immigrant Entrepreneurs***

With regard to the nationality of the entrepreneurs, a wide variety shows from the field work; there are almost entrepreneurs from every country, including Africans although their nationals are not very numerous (Gambia, Cameroon...). However, the first and obvious conclusion in the research is the preeminence of Chinese owners both in commerce and restauration. The economic activity in commercial establishments is another option followed by non-European Community immigrants (Table 4); the most relevant in their locations and activities are the Chinese people, who are organized into true commercial chains in expansion, with many closures, changes in address and activity, and who tend to locate in the traditionally most central and commercial streets, trying to adjust to the customers and the crisis. Commerce is an important source of employment for these nationals who are diversifying more and more their activities.

Latin-Americans from different countries, specially Equatorians and many of them already Spanish citizens, manage phone calls shops, hairdressers, bars and restaurants, as well as recently greengrocer's shops, some of which seem to be a part of true commercial chains and/or franchises, and baker's and confectionery shops (Ecuapán, for instance). Fashion clothing stores are owned by Chinese immigrants, and clothing alterations stores are another option for Argentinians. In general lines, the option to open their own business seems to be a decision made after a learning period as employee in all kinds of stores. With respect to other nationalities, we have to point out that Moroccan usually open business addressed to people of their own country (Halal Butcher's Shop, for instance), but they always try to diversify their products (they often add fruits and vegetables, foodstuff, cleaning products, etc.) to widen their target customer to other groups of population, and they act as a traditional local shop. These businesses try to locate in the districts with the larger concentrations of people with their same religion or next to mosques or praying centers. Moroccans are also present, in a lesser number, in phone calls stores, clothing stores, handbag stores, etc.

**Table 4: Provenance of Entrepreneurs**

<b>GEOGRAPHICAL ORIGIN OF ENTREPRENEURS</b>	<b>% over total</b>
China	41.96
Countries of Andean America	35.71
Caribbean Countries	6.70
Countries of Northern Africa	4.02
Hindustan Countries	4.46
Countries of the Southern Cone	2.68
Countries of Eastern Europe	1.79
Countries of Subsaharian Africa	0.89
Countries of Far East	0.89
Countries of Near East	0.89
Total	99.99

Source: Own make

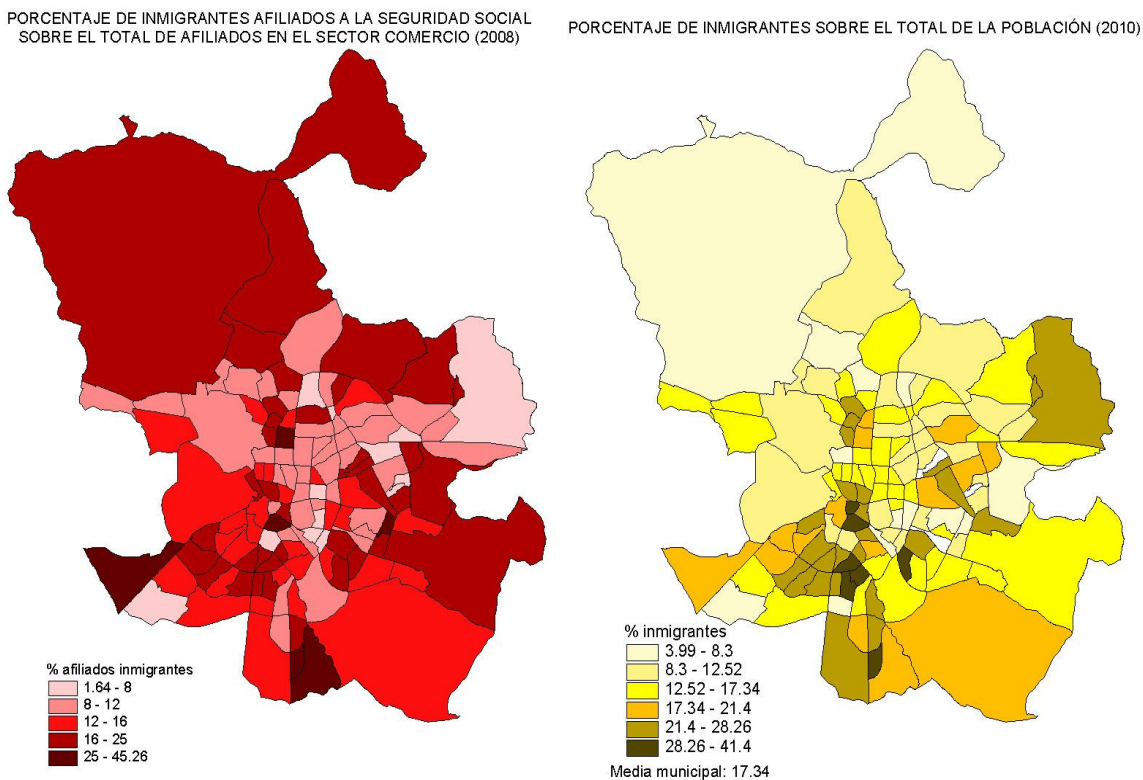
The different districts studied show some differences with regard to the nationalities existing in them, although it is clear the larger numbers of people from China and other countries such as Colombia, Peru, Bolivia and Ecuador. In the case of North-African people, they concentrated in small areas, which is a contrast with the dispersion of, for instance, Latin-Americans except for Dominicans who usually spread their businesses over very specific areas which become known as “Little Caribe”. In general, it seems to be verified that commercial premises are located, at least in the initial stage, in zones closer to the residence of population from their own countries.

**Main Commercial and Spatial Strategies of Immigrant Entrepreneurs**

Immigrants who decide to start a commercial and/or services business locate in more or less traditionally commercial streets depending on their knowledge of the zone and they occupy premises which are not desired, at least during present crisis, by the indigenous entrepreneurs due to its little economic profit and to their harsher working conditions, specially of schedule, versus those conditions offered by other businesses. However, the trend is, apart from a large mobility of businesses with continuous closures and openings or activity changes, moving to more central axes after assessing which areas have a large number of potential clients. This trend is often associated to a change in the working structure; business goes from self-exploited family-related workers, to employees among whom there are no-family-related individuals or from the same country, where the owner may be a foreigner while the employees are Spaniards. This is the case basically of clothing stores.

An analysis of the location of foreign commerce-linked population in the different districts in Madrid shows that there is a certain correspondence between the larger concentrations of immigrants and the businesses owned by them or in which they are working, since the location in areas where there are people from the same country gives an environment with potential clients, morphologically and socially welcoming both for the immigrant and his business. However, we have to point out the tendency to dispersion, and that there are immigrant businesses in every district, both in central or periphery areas and of very different social levels.

**Figure 2**





Logically, immigrant entrepreneurs prefer the areas with more passersby; the tendency is to locate in the most central axes, after confirming that these areas are where the largest number of possible clients go. But when premises in those main axes are too expensive or premises are not offered, a spatial strategy followed by immigrants is to open their business in nearby streets, where prices are cheaper.

There is also a spatial concentration of foreign immigrant businesses in the streets that cross the main communication artery, which has resulted in a certain social and economic “revitalization” of the secondary streets that showed a significant decay and some low urban standards. This is clearly found in the intersections of consolidated commercial axes.

In general, the areas that present an excessive business concentration by immigrants from the same country, turn into meeting areas for their nationals and said businesses are more ethnic and do not want to attract the general population. This is seen in the already mentioned “Small Caribe” and other zones where Equadorian businesses concentrate and which come to be called by the population living there as the “Quitos” of Madrid. The same happens in a specific Southern area in Madrid, where many Chinese businesses concentrate which are basically addressed to the Chinese community living in Madrid (Tébar, 2010)

One of the distinctive features of new immigrant business is its volatility, translating into continuous openings and closures and in activity changes. There is a slow shift of commercial activities from the secondary streets to the main streets, and when it is achieved, the same owners improve the aesthetic aspects and, some times, they modify the typology of the sold product.

In general, small entrepreneurs do not hire employees outside their family; although there are also entrepreneurs that manage larger businesses that employ immigrants and Spaniards. In Table 5 there appear the percentage of business that hire employees. It must be explained that percentages are not obtained for the one hundred per cent of the studied areas, because we have not been given the information in many cases.

**Table 5: No. Of Employees in Immigrant Business**

No. of Employees	% over total
None	26.78
Only family help	48.09
One or two employees	20.22
Three or more employees	4.92
Total	100.01

Source: Own make

Location of immigrant business in the commercial axes of the studied areas differs a little among them. Thus, some axes are traditional commercial streets that supply consumer goods to the population of nearby districts, although businesses do not specialized nor have high quality standards. Many businesses in the area have closed because their owners have retired and their children did not want to take over them. Those premises that have been closed and which have a reasonable price have been let to foreign immigrants who have opened local stores and business with two kinds of clients: immigrants who are living in the area and the Spanish population living in the area who have less mobility and less economic resources, such as aged people, non-employed women and adolescents. There are plenty of stores owned by Asian immigrants which have a diversified and low-cost offer.

On the other hand, other commercial axes have a more specialized commerce and a larger influence area; here immigrant business is next door to large shopping chains. They are basically small clothing and accessories, handbags, shoes, baggage and telephone stores owned by Latin-American and Chinese immigrants. These axes have very commercial sections in which immigrant businesses are very few due to the almost lack of premises. However, in these cases, back streets and intersections to the main axis present a larger number of immigrant businesses than in the main street. Other sections of said axes, however, are not so crowded by commercial franchises and marks and immigrant businesses settle there.

Periphery districts' commercial axes traditionally had a relevant commerce of secondary consumer goods (textile, furniture, shoes...) alternating with different services (banks, restauration...), but in the last years it is clear the effect on the traditional commerce of crisis and of other normal circumstances (demographic and urban aging). In said streets there has been a large percentage of closure of traditional and recent businesses which showed the economic and social improvement of those districts. However, present crisis has increased the closure of commercial premises which are partially replaced by immigrant services and businesses, some of which had been ephemeral.

In the commercial areas of the central districts, the traditional commerce was local, that is, small shops with consumer goods and fixed customers living in the area and, at most, some bars and restaurants frequented by the resident population and also by the employees of the nearby offices. Both central areas are suffering a tertiarization process since 1960's. From the 1980's, the traditional commerce turned in crisis as a result of several facts:

- Loss of the resident population that moved to metropolitan area municipalities that offered new and cheaper housing, with certain equipment that the society is newly demanding (green areas, swimming pools, etc. ...)
- The significant entrance of women in the labor market with the corresponding decrease of housewives, who were the main customers of these stores.
- Changes in consumer habits, which made weekly or monthly shopping in supermarkets and large malls usual and decrease daily shopping.

As a consequence, traditional commerces were maintained as they were with no updating and with little profits until their owners retired, when most of them were closed due to the lack of change over and were not transferred due to their little economic expectations.

New immigrant business makes up for the traditional local commerce; for instance, the new food stores replace the older greengrocer's stores and the bazaars sell many of the products that formerly were bought in the drugstores, harberdasher's shops, stationeries, ... that have closed. The problem is that the quality standards of many of these new businesses, especially those engaged in daily consumer goods, are lower and that premises are neglected in many cases. Thus, although the district's commercial fabric is revitalized, the population sees the establishment as more decayed than before.

Therefore, we can affirm that immigrant business is expanding, and that they are not one of the elements that have generated the crisis of the local small shop in Madrid districts, because immigrant businesses have opened in the closed premises and on the local stores that are not profitable or have change-over problems.

In the wholesale food markets located within the chosen areas there are not too many foreigners, maybe because they think a store on the street is better "*because people are always going by*" as an interviewed store owner remarked, while in a market, clients are worse to get as they usually prefer the traditional stands.

Lastly, we have to point out that there has been a relative break in immigrant entrepreneurship in the last two years at least. We have arrived to this conclusion when comparing the field work carried out for this paper with the field work made some years ago for a publication on immigrant entrepreneurs in Madrid (García Ballesteros, A. et al., 2006). Although commerce has much influence in Madrid, due to the crisis, it has suffered a strong slowdown and affects basically the family business, the business that immigrants usually start in our city.

## ***Conclusions***

Immigrants who have decided to open a business in the city of Madrid follow some spatial patterns which are summarized as follows:

- A general presence all over the city; there are no districts without immigrant business. Naturally, from some districts to others, there are differences in business density, typology and quality, as well as on the nationalities most numerous among foreign owners.
- A higher concentration of ethnic business in the zones with larger percentage of town hall registered immigrants.

- A preference to open their businesses in traditional and consolidated commercial zones, addressed to a general public who satisfy their primary (foodstuff, cleaning products ...) and secondary (clothing, shoes ...) needs there.
- Although immigrant business is all over the city, the most exclusive areas have, logically, few of these stores. Only some large-investment companies and large owners want to locate there, as is the case of some foreign-owned restaurants and stores. In these zones the small immigrant family business usually is located in back streets and they are convenience stores that are open for residents and passersby in non-commercial schedules.
- They try to locate in the areas of most passer-by traffic, when price of premises allow it; if it is not possible, they locate on streets near to the commercial axes.
- A concentration of businesses from the same country in some streets collects customers of their same nationality and they have a social object as well, since they become meeting and mutual help points.
- With very fast changes in the services and products offered, business adjusts to the existing demand. This is very clear nowadays due to the economic crisis.
- Immigrants are more interested on daily and low cost consumer goods commerce, with no large expenditures (food stores, bazaars, drugstores ...).
- About services business, they also prefer not to make large investments (phone call stores, hairdressers, nails shops ...), and there is a clear trend towards restauration. In this field, immigrants usually open small bars and restaurants, as well as catering or kebab's business ... the clients of which are workers with little time for lunch and young people partying at night. Of course, these businesses are in central areas close to office buildings and youth leisure centres.
- There are constant business openings and closures, as investment is little and premises are most of them rented. If the business is not profitable soon, it is closed down.

Another studied aspect is the visibility of this business and its effect on district valuation, both by residents and passersby. In a good measure, the so-called ethnic commerce has revitalized social and environmentally decayed central zones of the city that had been abandoned by Spanish entrepreneurs. Thus, ethnic commerce supplies goods and services to an aged resident population, whose consumer habits are different from those of the general society, due to their low earnings and little mobility. On the other hand, young people looking for leisure places also frequent this business.

However, in those urban sectors where a traditional and local family business had existed until some years ago, the replacement of those local businesses by other new stores with a neglected physical appearance, is not seen as something good but as a mark of the area decay.

In short, immigrant business in the city of Madrid has increased in the last twenty years, although it has slowdown at present due to the actual economic crisis. However, self-employment is still an option for many immigrants, who think it to be a professional improvement over working for a salary. At this moment, and in spite of a certain shy consumption, commerce and services are an employment outlet versus the fall of jobs in sectors such as the construction which were filled with immigrants.

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