



Future of manufacturing
**International Mobility Law –
Internationalisation policy measure
(Spain)**

Born globals and their value chains

Authors: Iñigo Isusi (IKEI Research & Consultancy)

Research managers: Irene Mandl and Valentina Patrini (Eurofound)

Eurofound reference number: WPFOMEF18043

Related reports: This policy measure is one of the 27 policy measures reported on in the framework of the project Future of Manufacturing in Europe and produced by Kingston University Enterprises and IKEI Research Consultancy S.A. The 27 policy measures complement the following seven company case studies: Blue Ocean Robotics; COMODULE OÜ; Frog Bikes; Graphenea; Khar & Partners; KristallTurm; Recornect. All case studies and policy measures are available on Future of Manufacturing website.

© European Foundation for the Improvement of Living and Working Conditions (Eurofound), 2018
Reproduction is authorised provided the source is acknowledged.

For any use or reproduction of photos or other material that is not under the Eurofound copyright, permission must be sought directly from the copyright holders.

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75 to contribute to the planning and design of better living and working conditions in Europe.

European Foundation for the Improvement of Living and Working Conditions

Telephone: (+353 1) 204 31 00

Email: information@eurofound.europa.eu

Web: www.eurofound.europa.eu



This is a publication from *The Future of Manufacturing in Europe (FOME)* project.

FOME is a Pilot Project proposed by the European Parliament and delegated to Eurofound by the European Commission (DG GROW).

More information on the FOME project, including available and forthcoming publications and events and relevant data can be found on the FOME page of the EUROFOUND website.

<http://eurofound.link/fome>

Contact details

Donald Storrie (Project Manager) Donald.Storrie@eurofound.europa.eu

Alessandra Massaro (Project Administrator) Alessandra.Massaro@eurofound.europa.eu

Contents

- 1. Context 1
- 2. Content2
- 3. Relevance of the measure to SMEs/born globals and internationalisation4
- 4. The operation of the measure4
- 5. Monitoring and evaluation8
- 6. Evidence of outcomes and impact.....8
- 7. Strengths and weaknesses of the policy measure..... 11
- 8. Recommendations 12
- References 14

1. Context

1.1. Circumstances in which the measure was introduced, rationale, and relevance

Traditionally, Spanish migration policy has been geared towards organising migration flows of workers in line with the needs of the labour market, focusing particularly on aspects related to control/security and attraction of low qualified employees. By way of contrast, the Spanish migration policy did pay very limited attention to migration as a powerful tool to attract foreign talent and investment to Spain, removing for instance existing barriers to foreign entrepreneurship and to investment in business ventures that create jobs. As an example, and as emphasised in several international comparative reports (OECD, 2010), Spain has one of the lowest rates of foreign entrepreneurship compared to other European countries.

On the other hand, it is important to take into account different recent initiatives taken by the European Union in order to attract foreign investment and talent to Europe, such as the European Commission Communication of 3 March 2010 '[Europe 2020: A strategy for smart, sustainable and inclusive growth](#)' (which underlines the contribution of the attraction of talent to economic growth and employment, and calls on Member States to remove obstacles to the entrepreneurship of legal migrants), the [Council Directive 2009/50/EC of 25 May 2009](#) on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (where this Directive introduces a fast-track procedure to allow providing these skilled migrants with the 'blue card') or, very recently, the [Directive 2014/66/EU of the European Parliament and of the Council of 15 May 2014](#) on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer.

1.2. The process of developing the measure

The economic crisis initiated in 2008 revealed the limits of the traditional Spanish migration policy approach, resulting in high general unemployment levels, and particularly high amongst migrants. In order to change this situation, an evaluation of the strengths and weaknesses of the Spanish immigration regulations was carried out in 2012. This evaluation (mentioned in Spanish Government, 2015), prompted by the [Economic Office of the President of the Government](#), was performed by a multidisciplinary team comprising not only traditional migration policy authorities such as the [Spanish Ministry of Employment and Social Security](#), the [Spanish Ministry of the Interior](#) or the [Spanish Ministry of Foreign Affairs and Cooperation](#), but also the [Spanish Ministry of Economy, Industry and Competitiveness](#), who introduced the business perspective to the analysis and played a key role in identifying barriers that existing migration regulations created to attracting investors and entrepreneurs.

The evaluation detected a need for a new model, which considers international mobility as an element of competitiveness. According to the evaluation results, the traditional Spanish migration policy was paying limited attention to some specific but highly interesting groups of skilled and highly skilled migrants:

- Investors: There was no specific procedure framework for the admission and residence of investors and this forced them to resort to other procedures which did not meet their needs (for instance, residence permits without the right to engage in gainful activities but that required effective residence in Spain);
- Entrepreneurs: The traditional temporary residence and self-employment permit posed significant inadequacies as it was limited (for instance to some concrete sectors or to a geographical area of an autonomous region). Furthermore, the Ministry of Economy, Industry and Competitiveness was not involved in decisions to award these permits, so business projects were not assessed from an economic perspective. The procedures were excessively bureaucratic, too long and not conducive to business;

- Highly qualified workers: With the exception of those cases substantiated by the Unit of Large Enterprises, several restrictive measures were applied, basically in terms of the application of a labour market test or high salary thresholds (in a more restrictive manner than in the [Blue Card Directive](#)), which meant a real barrier especially for young graduates; and
- Researchers: The system was very complex, and it lacked coordination with science regulations. It also required a double permit (residence and work).

All these restrictions did not allow for the flexibility that a modern economy requires and restricted competitiveness. Indeed, the existing regulations were more intended to protect the domestic market rather than to support the internationalisation of the Spanish economy.

Having in mind this reality, and with the purpose of designing a more flexible regulation which would establish migration policy as a key factor for competitiveness, specific provisions were introduced with the passing of Section 2 of Title V of the Law 14/2013, of 27 September, on support for entrepreneurs and their internationalisation (Official Gazette of 28 September 2013).

1.3. Evidence of complementarity and/or overlap between the measure and other policy measures

It is important to stress that, in addition to these migration related issues, Law 14/2013 of 27 September includes a number of additional elements intended to promote entrepreneurship and self-employment, especially for young people. Examples encompass the removal of barriers for establishing a business, the simplification of administrative procedures or new financial advantages to entrepreneurs, particularly in the area of taxation and social security¹. As the main changes introduced on the business environment affecting foreign entrepreneurs are included in Section 2 of Title V of that law, internal and external coherence is ensured and no overlaps can be detected with other existing measures.

Finally, the Spanish government has been very active since 2014 in achieving favourable treatment of Spanish companies and professionals in specific countries, similar to the favourable treatment derived from Law 14/2013. Examples include the memoranda of understanding signed between Spain and several Latin American countries such as Mexico (June 2014) or Paraguay (June 2015) and to facilitate the entry and stay in the Mexican territory of Spanish investors, entrepreneurs, highly qualified professionals, researchers, professionals engaged in intra-corporate transfers and their families, for reasons of economic interest. In recent years, agreements have been signed with various countries (for example, Canada, Australia and New Zealand) to promote the mobility of young people to give them the opportunity to obtain professional and/or life experiences. Negotiations are also held with other third countries such as Saudi Arabia or with the whole Ibero-American space via the Veracruz Declaration signed at the XXIV Ibero-American Summit that includes a commitment in point 5 to boost the mobility of entrepreneurs and investors (among other groups) between Latin America and Spain.

2. Content

Section 2 (international mobility) of Title V (internationalisation of the Spanish economy) of [Law 14/2013 of 27 September](#), on support for entrepreneurs and their internationalisation ('Ley 14/2013, de 27 de septiembre, de apoyo a los emprendedores y su internacionalización' in Spanish) is intended to facilitate the attraction (entry and stay) of foreign skilled and highly skilled non-EU nationals who plan to carry out an economic activity within Spain that is regarded as relevant for the Spanish economy in terms of economic growth and job creation.

¹ Law 25/2015 on the Second Opportunity Mechanism (28 July 2015), in force since 30 July 2015, has introduced several improvements to the Law 14/2013.

In this sense, and according to article 61 of the same law, foreign non-EU nationals who intend to enter or reside, or are already residing, in Spain will be granted a simplified procedure to enter or remain in the Spanish territory on the grounds of economic interest, in cases where they provide evidence of belonging to any of the following categories:

- Investors, this is, non-EU nationals that make a significant investment in Spain, including i) financial assets (public debt, €2 million; shares, €1 million; investment funds, investment funds of close end type or venture capital funds set up in Spain, €1 million; bank deposits, €1 million); ii) real estate, €500,000; iii) business projects (no minimum investment requirements but projects have to be of general interest in terms of creation of job, social and economic impact or significant contribution to scientific and/or technological innovation (articles 63-67);
- Entrepreneurs, this is, non-EU nationals willing to start-up an innovative business of particular economic interest in Spain (articles 68-70);
- Highly qualified professionals, this is, non-EU nationals interested in working in a company in Spain as a highly qualified professional (HQP) or graduates/postgraduates from universities and prestigious business schools who have a job offer (article 71-72);
- Researchers, this is, non-EU nationals having an offer to carry out a research activity in a Spanish university, in business entities or R&D&I centres or in a research organisation established in Spain (articles 73-74); and
- Workers subject to intra-corporate transfers within the same undertaking or group of undertakings, this is, intra-corporate transferees of non-EU country nationals, including managers, specialists and trainees.

Interestingly, the law also facilitates the possibility of processing residence permits for direct family members, including the spouse/unmarried partner as well as children who are minors or those of legal age but being financially dependent on the holder and, finally, parents in their charge.

The provisions included in the law do not apply to citizens of the European Union and foreign nationals to whom the law of the European Union applies as beneficiaries of the rights of free movement and residence.

From a budget perspective, there is some information on expected economic impacts derived from the Law 14/2013 as a whole but not specifically on Section 2 (international mobility) of Title V (internationalisation of the Spanish economy) of the law. Thus, it is suggested that the law is going to have a positive impact on employment and economic growth, as well as on increasing competition levels within the Spanish economy, and it is also suggested that the law will imply a reduction of approximately €122.9 million in the administrative burden costs annually borne by enterprises. Meanwhile, the law will not imply an increase in expenses as all the foreseen activities are assumed by the currently available resources and institutions.

The 11th final provision of Law 14/2013 also foresees the possibility to adapt the Law itself to situations not originally considered. In this sense, several modifications have been introduced with the passing of the Law 25/2015 on the Second Opportunity Mechanism (28 July 2015), in force since 30 July 2015, some of them affecting Section 2 of Title V of Law 14/2013 on international mobility. These modifications have tried to upgrade some elements that were not sufficiently clarified or needed further details in the initial Law 14/2013. For instance, and in relation to the group of entrepreneurs, the new law identifies more precisely the elements to be assessed in the business plan to check whether the activity is of special economic interest for Spain. Also, it is clearly stated that the Directorate General for International Trade and Investment of the Spanish Ministry of Economy will be the main body responsible for assessing the special economic interest of the proposed activity².

² For an extensive discussion on the main changes introduced please have a look at '[Residence in Spain in exchange for investment: changes in regulations](#)', 2015

3. Relevance of the measure to SMEs/born globals and internationalisation

Section 2 of Title V of the Law 14/2013 can be regarded as a relevant tool for the internationalisation of the Spanish economy and enterprises by making Spain a more attractive country for both businesses and mobile people with talent. Despite of having a focus on large enterprises (as these companies are more likely to benefit from these international mobility measures and the existing criteria have fewer restrictions for them in a number of cases), the Law is also relevant for some groups of SMEs and born global companies. For instance, article 71 of the Law facilitates the possibility to bring ‘highly qualified professionals’ to SMEs demanding skilled workers, provided that they belong to a so-called ‘strategic’ sector - this strategic nature being confirmed by a report elaborated by the Directorate-General for Trade and Investment of the Spanish Ministry of Economy, Industry and Competitiveness. By way of contrast, this strategic nature is not requested in the case of large businesses.

In any case, the analysed Law is particularly relevant to foreign entrepreneurs who are interested in developing a new business activity in Spain, usually as a new traditional SME or a born global depending on the market orientation of the new company.

4. The operation of the measure

4.1. Promotion of the measure to internationalising businesses

Non-EU nationals interested in being granted a simplified procedure to enter or remain in the Spanish territory on the grounds of economic interest can obtain information through different sources, amongst others:

- A website has been set up for the [Residence Programme for Investors and Entrepreneurs](#) (Programa de Residencia para Inversores y Emprendedores, PRIE) by the State Secretariat for Trade with the joint participation of the ministries of Employment and Social Security, Foreign Affairs and Economy. The website provides detailed information in several languages (Spanish, English, Portuguese, Russian and Chinese) on general aspects of the PRIE and issues specific to each category (documents required, where they can be obtained, information on the application procedure, etc.);
- On the website of the [Secretariat General for Immigration and Emigration](#), where the official forms for initiating the procedures regulated by Law 14/2013 are available for download, as well as information leaflets in different languages on each of the categories set out in Law 14/2013. Also, relevant information is provided in the Large Business and Strategic Groups Unit, [General Secretariat for Immigration and Emigration of the Ministry of Employment and Social Security](#);
- The website of the [Directorate General for Trade of the Ministry of Economy and Competitiveness](#) offers information on the PRIE and, in particular, on the actions carried out by the Ministry of Economy and the Economic and Commercial Offices attached to the [Spanish embassies abroad](#) during the process of obtaining visas and/or residence permits for investors, entrepreneurs and highly qualified staff. In this sense, the Spanish Economic and Commercial Offices attached to the Spanish embassies abroad are particularly key actors both in the dissemination of the policy measure to interested foreign stakeholders as well as in managing the requirements of foreign people interested;
- ICEX ‘[Invest in Spain](#)’ provides free, professional and confidential immigration information and consultancy services for companies, investors and entrepreneurs to obtain residence and work permits. ICEX Invest in Spain’s mission is to attract new foreign direct investment projects, especially involving countries, sectors and businesses that show the greatest growth potential in Spain; and

- The Spanish Ministry of Foreign Affairs and Cooperation also provides specialised information on visas and residence permits within the scope of Law 14/2013 on its [website](#).

In addition to these websites, several activities have been organised during the last years to raise awareness of the new legislative changes to interested international stakeholders. Examples include the organisation of several national conferences and information events, organised both in Spain as well as abroad in the Spanish embassies and consulates.

4.2. The process of application and assessment of applications, delivery mechanism of the measure

Article 62 of the Law 14/2013 establishes the general requirements for stay or residence. In this sense, and without prejudice to compliance with the specific requirements set out for each visa or authorisation, the law stresses that interested foreign non-EU nationals shall meet, for stays not exceeding three months, the entry conditions laid down in Regulation (EC) No 562/2006 of 15 March 2006, establishing a Community Code on the rules governing the movement of persons across borders (Schengen Borders Code). In the case of stay visas, interested applicants must also prove that they meet the requirements of Regulation (EC) No 810/2009 of 13 July 2009 establishing a Community Code on Visas (Visa Code).

In the case of residence visas provided for in Regulation (EU) No 265/2010, amending the Convention Implementing the Schengen Agreement and Regulation (EC) No 562/2006 of 15 March 2006 as regards the movement of persons with a long-stay visa, as well as for residence authorisations, the law establishes that applicants shall provide evidence of compliance with a list of conditions, namely:

- Not be in Spain in an illegal situation;
- Be over 18 years of age;
- Have no criminal record in Spain or in the countries where they have resided for the past five years, for criminal offenses defined in the relevant Spanish legislation;
- Not be subject to an alert issued for the purposes of refusing entry in the territorial space of countries with which Spain has signed an agreement in this regard;
- Have a public or private health insurance policy with an insurance company authorised to operate in Spain;
- Have sufficient financial resources for themselves and for the members of their families during their residence in Spain; and
- Have paid the visa or authorisation processing fee.

The procedures are relatively quick. Thus, 10 and 20 days are foreseen as the duration between application and decision for visas and residence permits, respectively. One single authorisation for living and working in Spain is provided and valid for the whole of Spain. Family members are able to apply at the same time. The availability of a visa allows freedom of movement within the EU Member States.

Specifically, the law specifies different application procedures related to different interested groups. In this sense, and for simplification purposes, the information to be presented in the next lines will only apply to the scheme for three groups, namely those of ‘entrepreneurs’, ‘highly qualified professionals’ and ‘researchers’.

a) Procedures related to the group of ‘entrepreneurs’:

The law identifies two different options:

- If the entrepreneur is abroad:
 - 1st step: Applying for an entrepreneur visa at the Spanish consulate, in order to enter and stay in Spain for a maximum period of one year in order to make the

arrangements to set up business activity in Spain. These visa applications must be made at the Spanish embassy in the country of origin or residence, and

- 2nd step: Applying for an entrepreneur residence and working permit in Spain, valid for two years, which is renewable if requirements are fulfilled;
- If the entrepreneur is already in Spain in a legal situation to set up a business, he/she can ask for a residence permit. These residence permit applications must be made at the Large Business and Strategic Groups Unit of the Secretariat General for Immigration and Emigration of the Ministry of Employment and Social Security. This residence permit lasts for two years, and it can be renewed every two years.

Either the entrepreneur or his/her legal representative can apply for the visa or residence permit via the application form. Documents needed to be submitted with the application include the following ones:

- Passport;
- Health insurance documents. Applicants must take public or private health insurance with a company operating in Spain;
- Background checks;
- Proof of sufficient resources;
- In case of visas: Report on entrepreneurial activity issued by the Spanish Economic and Commercial Office in the same area where the visa is requested;
- In case of residence permits: Business plan (see next); and
- Application form and fees.

There are neither minimum capital requirements nor a minimum number of jobs to create, but the activity has to be of special economic interest for Spain. To assess this, several elements are taken into account:

- The applicant's professional profile, his/her training and professional experience as well as his/her involvement in the project;
- The business plan, including at least the following aspects:
 - Description of the project: Business activity to be performed, start-up date, location, planned legal form of the company, potential economic impact of the investment, description of the estimated number of jobs that may be created and their duties and qualification, planned promotion activities and sales strategy,
 - Description of the product or service: The description shall be detailed and include the innovative aspects,
 - Market analysis: Assessment of the market and expected evolution, description of possible competitors, assessment of potential customers and analysis of supply and demand, and
 - Finance: investment required, sources of finance and financial plan; and
- The added value for the Spanish economy.

The final decision for approval of the special economic interest of the activity for Spain is based on a case-by-case analysis performed by the Directorate-General for International Trade and Investments of the Spanish Ministry of Economy. This body will be consulted in all cases, irrespective of whether or not the foreign entrepreneur is already living in Spain.

b) Procedures related to the group of 'highly qualified professionals':

Companies who want to hire a third country national as a 'highly qualified professionals' can benefit from the high qualified professional residence permit. For that, the company has to either i) be a large business or corporate group, ii) be a SME in strategic sector, iii) to develop a business project of

general interest, or iv) to intend to hire a graduate or postgraduate from officially recognised universities and business schools as a high qualified professional (regardless of the size, sector or activity of the company).

For this purpose, the company (or its legal representative) which intends to incorporate a highly qualified professional must apply for the residence permit at the Large Business and Strategic Groups Unit of the General Secretariat for Immigration and Emigration of the Ministry of Employment and Social Security. Documents to be provided with the application include:

- Certification indicating that the company is either a large business or corporate group, an SME in a strategic sector or a company developing a business project of general interest (in these two last cases this is operationalised via a report elaborated by the Directorate-General for Trade and Investment of the Spanish Ministry of Economy, Industry and Competitiveness);
- Copy of the contract or professional relationship, already in place and signed;
- Job description;
- Highly qualified professional's resume;
- Highly qualified professional's passport;
- Highly qualified professional's background checks; and
- In case of graduates or postgraduates: Highly qualified professional's university degree or qualification from a prestigious business school.

If the highly qualified professional is abroad at the time of the application, once the residence permit has been awarded, he or she must apply for a visa at the Spanish Consulate. When a highly qualified professional residence permit is granted, it allows the high qualified professional to stay and work in Spain for up to two years. This residence permit can be renewed for an additional two-year period as long as the requirements are fulfilled.

c) Procedures related to the group of 'researchers':

Those Spanish universities, business entities, R&D&I centres and research organisations established in Spain and interested in hiring a third-country national as a researcher can take advantage of the R&D&I and training residence permit. For this purpose, the interested institutions must apply for the residence permit via the application form available at the Large Business and Strategic Groups Unit of the General Secretariat for Immigration and Emigration of the Ministry of Employment and Social Security.

The researcher is therefore granted an R&D&I and training residence permit. This residence permit allows the researcher to stay and work in Spain for up to two years or for the duration of the contract or hosting agreement (in case it is shorter or longer than these two years). If the researcher is in Spain, the institution can apply for the R&D&I and training residence permit as long as the researcher is in a regular situation in Spain. Documents to be provided with the application include:

- Passport;
- Background checks;
- Certification of the institution related to the researcher; and
- Copy of the contract or of the relevant documents certifying the professional relationship between the institution and the researcher.

If the researcher is abroad at the time of the application, he/she must apply for a visa at the Spanish consulate in his/her country of origin or residence, once the residence permit has been awarded. This R&D&I and training residence permit can be renewed for an additional two-year period as long as the requirements are fulfilled.

4.3. Administration of the measure

The implementation of the international mobility process involves several agents, namely:

- The Spanish Ministry of Employment and Social Security, as coordinator, which plays a key role in the process specifically through the Large Business and Strategic Groups Unit of the General Secretariat for Immigration and Emigration, in charge of centralising and analysing all the relevant information, as well as responsible of taking the final decision on the residence permits;
- The Spanish Ministry of Foreign Affairs and Cooperation, which is responsible for matters relating to the awarding of visas by the diplomatic missions and consular posts of Spain abroad;
- The Spanish Ministry of the Interior, which coordinates all security-related aspects from the perspective of public order and border control; and
- The Spanish Ministry of Economy, Industry and Competitiveness, which plays a key role in the assessment of investments and projects through the Directorate General for International Trade and Investment and the Economic and Trade Offices attached to the Spanish consulates and embassies abroad.

In this sense, any company/entrepreneur interested in an international mobility procedure has to apply it to the Large Business and Strategic Groups Unit of the General Secretariat for Immigration and Emigration of the Spanish Ministry of Employment and Social Security. This Large Business and Strategic Groups Unit is in charge of requesting from the other remaining agents all relevant information as well as of taking the final decision.

5. Monitoring and evaluation

No evidence of evaluation reports related to the measure has been identified. Meanwhile, a monitoring report on the impacts and effects of the Section 2 of Title V of the Law 14/2013 has been elaborated by the Spanish government's Ministry of Employment and Social Security (Spanish Government, 2015). This report contains data for the time period September 2013-December 2014 on different elements such as number of issued residence permits and visas per category, as well as some additional information per category (country of origin, activity sector or type of research institution of the highly qualified professionals and researchers, investment and jobs generated by the entrepreneurs' category, etc.). More updated data³ has been recently released for the time period September 2013 and January 2017, although these data are not as complete as the previous one.

6. Evidence of outcomes and impact

The Law 14/2013 has allowed the introduction of a series of flexibility mechanisms for the entry, stay or residence in Spain for economic reasons of the categories covered under its Section 2, Title V, resulting in a higher efficiency and effectiveness of administrative procedures (basically in terms of reduced processing times for residence permits, simplification in the procedures or introduction of specific procedures targeting specific groups). Some of these flexibility mechanisms apply to any of the categories displayed by the law, whereas others are specific for each category. They are summarised in next table.

³ These data have been provided within the framework of this report and have not yet been published.

Table 1. Flexibility mechanisms to facilitate the entry and residence in Spain of 'qualified' foreign nationals with the Law 14/2013

	Flexibility mechanisms
General flexibility mechanisms	<ul style="list-style-type: none"> - The national employment situation (job market test) is not taken into account in residence permit decisions. - The national validity of residence permits is generalised. - Foreign nationals holding visas do not need to obtain an Identity Card for Foreign Nationals. - Simultaneous application for a permit (for residence and work) by family members. - Possibility of making simple status changes between different types of permits when the foreign national already legally resides in Spain. - Residence permits will be processed under the 'single procedure' provided for in Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011. The permit allows foreign nationals to reside and work in Spain. - Reducing processing times for residence permits. - Introduction of the one-stop shop mechanism (the application can be filed at any public registry in Spain). - Centralised processing of residence permits at a specialist unit. - Procedures relating to visas/residence permits can be carried out by a representative.
Investors	<ul style="list-style-type: none"> - Can apply for an investor residence visa which is sufficient for residing in Spain for at least a year. - Provided that they prove that they have maintained the investment, they may request an investor residence permit which is valid throughout national territory. Two year validity period, to be renewed if needed. - For obtaining the permit, it is now sufficient to have travelled to Spain at least once during his or her authorised residence period.
Entrepreneurs	<ul style="list-style-type: none"> - They can apply for a one-year residence visa, with the sole or main purpose of making the necessary arrangements prior to starting up the business. - After this year, if the business has been started up, entrepreneurs may apply for a residence permit for entrepreneurs. Two year validity period of this permit, to be renewed if necessary. - Entrepreneurs may apply for a residence permit irrespective of physical presence in Spain. - The case-by-case analysis of applications ensures consideration of the peculiarities and specific features of each project.
Highly Qualified Professionals	<ul style="list-style-type: none"> - The companies concerned may request a residence permit for highly qualified professionals for the duration of the contract period.
Researchers	<ul style="list-style-type: none"> - Residence visas have a one-year duration and permits two years, after which they can be renewed. - More flexible entry of researchers.
Workers engaged in intra-corporate transfers	<ul style="list-style-type: none"> - They can apply for residence permits and visas for intra-corporate transfer. - Possibility of collective processing of different workers. - It facilitates the transfer of staff between companies.

Source: Spanish Government, 2015

On the other hand, the quantitative available data from the monitoring report (Spanish Government, 2015) suggests a successful implementation of Section 2 of Title V of Law 14/2013. For all categories provided for in the legislation, 3,120 residence permits and visas were issued in the time period September 2013-December 2014. In addition to these visas and residence permits, a further 2,461 have

been issued to their families under the specific regrouping arrangements laid down in the law. Accordingly, a total of 5,581 visas and residence permits have been issued in this time period.

Specific information per categories, not including the applications for family members, is presented next:

- Investors: A total of 531 visas and/or residence permits were issued between September 2013 and December 2014, of which 490 for property investments, 29 for investments in financial assets and 12 for projects in the general interest. The value of the investments received totalled €446.8 million, of which the investment from the purchase of property amounted to €369.8 million, the investment in business projects was €39.5 million and the investment in financial assets stood at €37.5 million;
- 82 permits have been issued between September 2013 and December 2014 for entrepreneurs. Approximately, these entrepreneurs are expecting to invest a total of €233.9 million, with an estimated job creation of 2,624 jobs in five years. Most of the permits are aimed at tertiary activities (95.6% of the total);
- 1,231 permits were for the category of highly qualified professionals. 11.8% of all permits within this category were issued to nationals of China, followed by those of the USA (9.9%), Venezuela (9.8%), Russia (6.9%), Mexico (6.9%) and India (6.7%). 69% of permits were issued for the service sector, 14.7% for industry, 3.3% for the construction sector, 0.8% for the agricultural sector, and the remaining 12.2% corresponded to unclassified activities;
- 369 permits were for the researchers. The 10 leading countries of origin of researchers are Colombia with 49 permits (13.3% of the total), India with 29 (7.9%), China with 28 (7.6% of the total), Argentina with 20 (5.4%), Mexico, Iran and Cuba (5.1% respectively), the USA (4.1%), Venezuela (4.1%) and Turkey (3.5%). As regards the type of destination institutions of these researchers, 57.7% of them went to work at universities, 19.2% at the Spanish National Research Council (CSIC), 11.4% at foundations, and the remaining 11.7% to other institutions; and
- 907 permits were granted for intra-corporate transfers. With regard to the nationalities, the USA accounts for 22.8% of all intra-corporate transfers (207 permits), followed by China with 12.6% (114 permits), India with 11.7% (106 permits) and Brazil with 8.5% (77 permits). 61.5% of permits were issued for the service sector, 21.5% for industry, 3.3% for the construction sector and 0.1% for the agricultural sector, whereas the remaining 13.6% were unclassified.

The comparison with the existing situation before the introduction of the Law 14/2013 shows a very important increase in the number of foreign nationals linked to the attraction of talent in organisations or companies established in Spain. Thus, the ‘researchers’ category has witnessed a year-on-year increase of 266%, whereas the highly qualified professionals category and intra-corporate transfers have increased by 230% and 66% between September 2013 and December 2014. Meanwhile, the estimated value of the investment received from all categories amounts to €694 million and it is estimated that 12,685 new jobs have been created, of which 8,581 are direct and 4,104 were generated indirectly under this legislation (estimations provided by the same monitoring report).

Table 2. Estimated investment and new jobs as a result of Law 14/2013 (September 2013-December 2014)

	Investment (€ millions)	Direct employment	Indirect employment
Investors-Property	369.7	1,127*	
Investors-Financial assets	37.5	114*	

Investors-General interest	39.5*	374*	
Entrepreneurs	233.8*	2,624*	
Highly qualified professionals	13.5*	3,066**	
Inter-corporate transfers	N/A	907	
Researchers	N/A	369	
Total	694**	8,581**	4,104*

*: *estimated values*

**.: *sum of declared and estimated values*

N/A: *no information available*

Source: *Ministry of Economy, Industry and Competitiveness*

There are more recent data provided by the General Secretary of Immigration and Emigration belonging to the Spanish Ministry of Employment and Social Security⁴. According to this information, between September 2013 and January 2017 a total of 13,120 visas and/or residence permits were issued in Spain, distributed amongst the available categories as follows: investors (2,346), entrepreneurs (303), highly qualified professionals (5,448), researchers (1,511) and intra-corporate transfers (3,602). Meanwhile, a total of 14,350 family members-related visas/residence permits were issued in the same time period. The number of requested residence visas and permits has experienced a remarkable upward trend since early 2016, particularly in relation to the category of ‘highly qualified professionals’, probably linked to the increasing recovery of the Spanish economy. Meanwhile, it is estimated that 33,529 new jobs were created between September 2013 and January 2017, of which 22,674 are direct and 10,885 were generated indirectly under this legislation.

7. Strengths and weaknesses of the policy measure

7.1. Strengths of the measure

Section 2 of Title V of Law 14/2013 has deeply transformed the previously existing model of international mobility in Spain. In this sense, the new regulation has succeeded in introducing the perspective of the immigration policy as a key support element for the internationalisation of the Spanish economy and its enterprises, facilitating the removal of existing obstacles for the attraction of foreign talent, entrepreneurship and investment to Spain.

In this sense, based on the collected information on the measure, some strengths related to the Law 14/2013 can be summarised as follows:

- The Law 14/2013 includes new types of visas that are better suited to international mobility, and it envisages processing times that are more consistent with today's business management. In this sense, the law has introduced several flexibility mechanisms that are highly appreciated by companies;
- The Law 14/2013 has facilitated the removal of existing barriers and obstacles for inward international mobility, and it has made the Spanish legislation more in line with the one existing in the more advanced European countries;
- The arrival of specialists and professionals of different cultures has allowed Spanish companies to expand their business into new markets more easily;

⁴ These data have been provided within the framework of this report and have not yet been published

- The introduction of the law has been very positively valued by main national and international economic agents. For instance, the OECD (2014) has appreciated the adoption of the new regulatory framework, suggesting that the new Spanish legislation combines the perspectives of support to business internationalisation and the promotion of economic growth based on the traditional goals of migration policy: security and employment. Some elements particularly highlighted by the OECD include its contribution to the establishment of a framework conducive to the internationalisation of the Spanish economy, as well as the improvement of Spain as an international destination for third country investment and talent; and
- The 11th final provision of Law 14/2013 provides the possibility to adapt the Law itself to situations not originally considered, an element that reflects a strong interest in continuous assessments and adjustments.

Section 2 of Title V of Law 14/2013 is an interesting policy measure that could be transferred to other Member States who want to favour the attraction of entrepreneurs and key personnel to their economies. For this, some required preconditions include the existence of a public administration interested in fostering the internationalisation of its economy via the attraction of specialised foreign personnel as well as a demand amongst national companies for this type of personnel. Also, the drafting of such a Law requires a full adaption to the specific legislative frameworks available within each Member State.

7.2. Weaknesses of the measure

The available data show that the number of residence visas and permits for entrepreneurs is not very high in comparison with the number of permits issued for the other categories. In this sense, it could be considered whether there is a need to raise greater awareness of the legislation in this area amongst prospective foreign entrepreneurs. Also, it could be argued that immigration legislation is a necessary but not sufficient condition to increase the rate of foreign entrepreneurship. Thus, other elements related to the general regulatory framework, the tax system and access to finance are also key to drive entrepreneurship where, perhaps, there are still obstacles to starting up businesses in Spain and for entrepreneurship in general (Ruiz Navarro et al, 2014).

According to the interviewee, the full implementation of the Law is constrained by a lack of human and material resources within certain important units (embassies and consulates, the Large Business and Strategic Groups Unit of the Secretariat General for Immigration and Emigration of the Ministry of Employment and Social Security or the Directorate General for Trade of the Ministry of Economy, Industry and Competitiveness). For instance, it is suggested that the increasing number of requested residence visas and permits experienced, particularly since 2016 with the increasing recovery of the Spanish economy, is adding a very high work pressure on existing human resources within the Large Business and Strategic Groups Unit of the Spanish Ministry of Employment and Social Security.

Finally, as stressed by the interviewee, there is a need to better clarify some of the concepts used to define some of the different categories (for instance the category of ‘highly qualified professionals’), as some examples of misunderstanding of these concepts have been detected by the government services.

8. Recommendations

Section 2 of Title V of Law 14/2013 is fully implemented as of 2017, although several recommendations could be suggested to assure its effective implementation, and namely:

- To better promote and raise awareness of the Law, both nationally and internationally, amongst potential entrepreneurs;

- To provide more human and material resources to certain important units involved in the implementation of the Law, currently affected by existing workloads and the increasing demands for residence visas and permits;
- Immigration policy is a necessary but insufficient condition for attracting investment, talent and entrepreneurship. It is therefore essential to consolidate a climate favourable to business, which may require the removal of barriers to the full internationalisation of Spanish enterprises. Thus, it is necessary to introduce coordinated processes (between all ministries involved) for reflection and improvement in order to provide answers to challenges in areas such as tax, employment and social security (that is, clarification as to which type of social security system is applicable to intra-corporate transferees, whether that of the country of origin or of destination, especially where there is no bilateral agreement);
- Policies which facilitate entry and residence to certain categories of business-related migrants have positive effects which can be increased by frameworks for cooperation and reciprocal partnerships with other countries. In this sense, the European Union in general and Spain in particular need to further support and strengthen this type of international policies; and
- Last but not least, national legislation intended to attract investment and foreign entrepreneurship in the most optimal way needs to be flexible in order to adapt to a changing and international reality that may happen in the future.

References

All Eurofound publications are available at www.eurofound.europa.eu

Directorate General for Trade of the Ministry of Economy, Industry and Competitiveness web page, available at <http://www.comercio.gob.es/en/Pages/default.aspx>, accessed on 26 November 2018.

European Commission (2014), *ES EMN STUDY 2014, Admitting third-country nationals for business Purposes*, Brussels, available at https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/networks/european_migration_network/reports/docs/emn-studies/26a.spain_business_study_en_version.pdf, accessed on 26 November 2018.

ICEX, ‘Invest in Spain’, available at <http://www.investinspain.org/invest/en/-invest-in-spain/entrepreneurs-law-residence-programme/index.html>, accessed on 26 November 2018.

Law 14/2013, of 27th September, on support for entrepreneurs and their internationalisation, available at http://extranjeros.empleo.gob.es/es/UnidadGrandesEmpresas/ley14_2013/index.html, accessed on 26 November 2018.

OECD (2010), *Open for Business: Migrant Entrepreneurship in OECD countries*, OECD publishing, Paris.

OECD (2014), *International Migration Outlook 2014*, Paris.

Residence Programme for Investors and Entrepreneurs (Programa de Residencia para Inversores y Emprendedores, PRIE) web page, available at <http://www.comercio.es/es-ES/inversiones-exteriores/programa-residencia-inversores-emprendedores/Paginas/default.aspx>, accessed on 26 November 2018.

Ruiz Navarro, J, Cabello Medina, C. and Medina Tamaro, R. (2014), ‘La ley de emprendedores: una Mirada desde la perspectiva institucional’, in *III Workshop de la Sección de Función Empresarial y Creación de Empresas de ACEDE, Nuevas fronteras en la investigación en emprendimiento y en la docencia del emprendimiento, Madrid*.

Secretariat General for Immigration and Emigration web page, available at <http://extranjeros.empleo.gob.es/es/>, accessed on 26 November 2018.

Spanish Government (2015), *Report on the implementation of the international mobility section of the Entrepreneurial Support and Internationalisation Act of 27 September 2013*, Madrid, available at http://extranjeros.empleo.gob.es/es/destacados/Report_on_the_Implementation_of_the_International_Mobility_Section.pdf, accessed on 26 November 2018.

WPFOMEEF18043

The European Foundation for the Improvement of Living and Working Conditions (Eurofound) is a tripartite European Union Agency, whose role is to provide knowledge in the area of social, employment and work-related policies. Eurofound was established in 1975 by Council Regulation (EEC) No. 1365/75, to contribute to the planning and design of better living and working conditions in Europe.