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### Cities local integration policies: ethnic entrepreneurship in Breda

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European Foundation for the Improvement of Living and Working Conditions

## Cities Local Integration Policies:

Ethnic Entrepreneurship

In Breda

*Anja van Heelsum*



## Contents

### FOREWORD

### 1 INTRODUCTION

### 2 BACKGROUND INFORMATION OF THE CITY'S ETHNIC COMPOSITION

### 3. THE URBAN ECONOMY IN GENERAL

3.1 Historical development of urban economy and recent changes (the crisis).

3.2 Main industries and services

3.3 Size and characteristics of workforce

3.4 Formal access to entrepreneurship and rules and permits

3.5 Development of small and medium sized businesses (SMEs)

3.6 Sectoral and spatial distribution of SMEs.

### 4 ETHNIC ENTREPRENEURS: position and problems

4.1 Definition of ethnic entrepreneurship

4.2 Development of ethnic entrepreneurship

4.3 Sectoral and spatial distribution of ethnic enterprises

4.4 Reasons for entrepreneurship career, market, transnational practices and competition

4.5 Workforce, employment conditions, labour relations and illegal and informal practices

4.6 Problems and barriers

4.7 Unions, networks and shopkeepers associations

### 5 CITY POLICIES ON ENTREPRENEURSHIP

5.1 Policy line of the Economic Department

5.2 Policies line of the Integration Department, and where the two meet.

5.3 Main actors to relate to a) inside b) outside the municipal

5.4 Projects for starters: start-up support, micro credit, and starting from welfare

5.5 Projects for existing entrepreneurs, stimulation of professionalisation, business locations)

5.6 Projects for neighbourhoods, and zoning plans

5.7 Projects on other issues: diminishing rules, and stimulating transnational economic connections

5.8 Dialogue and ability to influence the policies

### 6 Conclusion and good practices

6.1 Summary and conclusions Reasons why things work and don't work, including for non action.

6.21 Good practices

6.3 Any other final comment or suggestion?

Interview partners

Books and reports

References

## Foreword

This report is written as a result of the Eurofound project "Cities for Local Integration Policy" (CLIP), which started in 2006. Breda is one of the 28 31 European cities that cooperate in exchanging information on their Integration Policies and in this case ethnic entrepreneurship.

The project aims at collecting and analysing innovative policies and their successful implementation at the local level, supporting the exchange of experience between cities and encouraging a learning process within the network of cities, addressing the role of social partners, NGO's, companies and voluntary associations in supporting successful integration policies, providing objective assessment of current practice and initiatives and discussing their transferability, communicating good practices to other cities in Europe and developing guidelines to help cities to cope more effectively with the challenge of integrating migrants, supporting the further development of a European integration policy by communicating the policy relevant experiences and outputs of the network to: European organisations of cities and local regional authorities, the European and national organisations of social partners, the Council of Europe and the various institutions of the European Union.

The CLIP network is also cooperation between cities and research institutes. Six research institutes in Bamberg, Amsterdam, Vienna, Turino, Wroclaw and Swansea are taking care of the publications of the CLIP project. As a researcher of the Institute for Migration and Ethnic Studies (IMES) of the University of Amsterdam, I am responsible for this report on Breda. Together with our contact persons of the municipality Ria Bolink, of the Department of Social Development of the municipality Breda, we gathered the necessary data on Breda for this report. Officials involved with (ethnic) entrepreneurship have been interviewed, as the list at the end of the report shows. They have provided us with the necessary information for this report. Secondly representatives of the chamber of commerce, the employers associations MKB, the workers union FNV, the labour inspectorate and quit a few entrepreneurs have been willing to provide us with information. And finally researchers from the University of Amsterdam and the Free University of Amsterdam have provided us with further data. I want to thank all those who have cooperated in giving information and particularly Ria Bolink for coordinating the city visit.

We thank Doris Lücken Klassen and Anna Ludwinek for their comments on the draft of this report. The author remains completely responsible for the content of this report and the copyright of the report remains with Eurofound.

Anja van Heelsum

23 July 2010, Amsterdam

## 1 Introduction

The fourth module of the CLIP project is about ethnic entrepreneurship and explores the development of ethnic entrepreneurship and reviews the role of policy interventions in that process. It is motivated by the desire of municipal, national and European governments and third sector institutions to create an environment conducive to setting up and developing small and medium sized enterprises in general and ethnic businesses in particular.

Following the 'mixed embeddedness' logic, as has been explained in by Rath (2009), it is posited that various components of urban economy interact to produce a complex but also dynamic ecological system, dramatically affecting the political economy of cities and, in so doing, entrepreneurial opportunities. The study therefore focuses on the emergence of ethnic entrepreneurs in the sectors and cities involved and the role of governmental and non-governmental regulation in it. The basic research questions are:

A. What are the *characteristics of the urban economy* and which openings have emerged in a number of cities since 1980? How has the political economy of these cities evolved? More specifically, what has been the development of the Small and Medium Enterprise (SME) sector in general in terms of numbers of businesses, volume of workforce, value of sales, variety of products, and market segmentation, and what has been

i) the spatial distribution, ii) the distribution over the various sectors of the urban economy, and iii) the ethnic, gender and age composition?

B. What kind of *profiles of ethnic entrepreneurship* can be identified? How does the emergence of ethnic entrepreneurship fit into the specific dynamics of the wider urban economy? Which general and specific barriers do ethnic entrepreneurs encounter, and what are their competitive advantages? What are the structural determinants of the observed trends? What are the employment effects of ethnic business? How many and what quality of job have been generated on the local labour market?

C. What *state and non-state rules and regulations govern the SME sector* in general and the ethnic SME sector in particular at the national and local levels and how have they shaped ethnic minorities' self-employment trajectories? How have policy debates and interventions on (ethnic) entrepreneurship influenced the emergence of entrepreneurial opportunities—real or discursive—and further development of ethnic businesses? What policies can be found supporting the access to employment for migrants in ethnic businesses?

The information is gathered using data from internet and by gathering figures from the people during interviews (there were no data from the questionnaire). Since a lot of data on the above questions were not available, the interviews also provided additional qualitative information.

## 2 Background information of the city

Breda is a medium size city with a population of 172.085 inhabitants (per 1 January 2009, O&I Breda). It acquired the official status of a town (town rights) in 1252 around the castle of Breda. In the 14th century it was surrounded with a defence wall and canals.

- Historically it is an army town. There are several institutes for middle and higher education in the army and even a small, but unique in the country, the royal military academy (since 1828 in the castle). These institutions are the result of connection with the royal family for over 750 years. Many historical buildings, in the centre of town (castle, cathedral, harbour, gardens) and outside the town (country houses, hunting grounds with facilities) also result from the royal connection. These buildings have become tourist attractions.

Breda's city centre is compact, the surface is well used and the density of building is quite high. From the 1950's onwards the city expanded its borders, large new housing areas were built and several villages and industrial areas were incorporated. Also in the last ten years new neighborhoods have been added. The former villages, which belong to Breda nowadays, have kept their special village culture and character. The housing projects from the 50's now need improvement. The map of Breda outside the city walls looks like a patchwork of industrial areas, housing areas and green village areas.

- Breda has always been a centre of trade. Because of the central position in the province Brabant, on the crossroads from north to south, and right in between the big harbours of Rotterdam and Antwerp (Belgium), Breda is an ideal place for establishing the main offices of international companies. There has been some industry, like textile, chemicals, chocolate, beer and fruit products (juices, canned fruit, soft drinks), but almost all of them have closed their gates. There are only few big factories, that could attract low-skilled workers, but there is industrial activity. Breda is currently trying to present itself as a modern service-, high tech and culture based city. The high tech- and creative technical industry is leaping forward and Breda would like to address itself as "game-valley". Recently a "gaming-academy" was opened, to train future game-designers.

Next to this Breda aims at logistic services, knowledge industry and hospitality.

- In the field of culture Breda has one of the biggest theatres in the region, which attracts people from a large distance. The cultural climate is a bit conservative, although this is changing slowly in the last years. Experimental forms of art and theatre are not often found in Breda, in contrast to Tilburg, which is about 35 kilometers. Breda doesn't have a university, possibly this explains the conservative, somewhat "bourgeois" culture. Breda is a middle class town. Statistics on Breda in all kinds of fields show often a striking similarity with the average statistics of the Netherlands.

- Breda has a central function in the region of Western Brabant, in terms of shopping, social services, hospitals and cultural facilities. Breda has a fast train connection with Rotterdam and Antwerp, the new High Speed Line (HSL) will pass through Breda. When the HSL is finished it will give Breda excellent connections to Antwerp, Brussels, Paris and Barcelona.

- Breda is the first city after crossing the main rivers that divide the North and the South of the Netherlands. The South is supposed to be more easy going, which is related to Catholicism and a more 'Burgundian' lifestyle. This means people like to enjoy good meals, drink and like to party. This in contrast to the Calvinist culture that rules the north. Breda is known for its bars and of course the carnival.

On Jan 1st, 2009 about 79% of the population of Breda is Dutch; and about half of the immigrants are of non-western origin, while the other half is of western origin (this includes the second generation with at least one parent of immigrant origin). Table 1 shows the largest foreign categories.

**Table 1 Composition of the population Breda in ethnic groups, per Jan 1st, 2009**

	Number	Percentage
Dutch	135,801	78,9%
Moroccans	5168	3,0%
Dutch Indies (Moluccans)	3968	2,3%
Turks	2915	1,7%
Belgians	2816	1,6%
Surinamese	2048	1,2%
Antilleans	2024	1,2%
Germans	1910	1,1%
Indonesians	1536	0,9%
Poles	1166	0,7%
Yugoslavian	1046	0,6%
British	817	0,5%
Chinese	573	0,3%
Afghans + Iraqi + Iranian + Somali	731	0,4%
Others	9,566	5,6%
Total	172,085	100,0%

Source: GBA/O&I, 2009.

The 2010 data on the Breda website only provide the numbers of Dutch, Moroccans, Turks, Surinamese, Antilleans, Refugees and the 'others'. Per 1-1-2010, the total population increased to 173,304, Dutch increased to 136,424, Moroccans increased to 5,244; Turks increased to 2,291; Surinamese have diminished slightly from 2,016, Antilleans increased from 2,102. The percentage of Dutch is still 78,9%.<sup>1</sup> There has also been an increase in the number of Poles and Chinese, and a reduction in the number of Dutch Indian and Indonesians. Surinamese, Dutch Indian and Indonesians tend to go to suburbs in other cities also.

The gender division of the ethnic groups in table 3 is in nearly all cases 50/50, except among the Dutch and among 'others' where we find more women among whom East European and South Americans.

A specific situation in Breda compared to most other Dutch cities, is that Breda has a Moluccan neighbourhood. In 1951 the former soldiers of the Dutch army in Indonesia KNIL were demobilised in camps in the Netherlands. The national government asked several cities to build neighbourhoods for these Moluccans, who wanted to stay together and thought that they would move back in the future to the independent *Republic Moluccu Selatan* on the Moluccan islands. Breda has build 93 houses for this specific group between 1963 and 1966, and another 15 in 1982. Currently 130 Moluccan families live in a neighbourhood, that is called *De Driesprong* and that also has a Moluccan Evangelical Church and

<sup>1</sup> Source: <http://breda.buurtmonitor.nl/> (May 2010)

a community centre. The fact that the Moluccan community existed of ex-soldiers (and their wives and children) made them feel at ease in a town with a military tradition like Breda. Because of the military academy in Breda it was one of the few places they knew in the Netherlands. Moluccans refuse up to now the Dutch nationality and have remained stateless. The Moluccan community signed an agreement with the local authorities to ensure that their culture and way of life is respected within the background of the special historic circumstances. Breda is one of the 70 municipalities that have a Moluccan area. The second considerable immigration was of Surinamese, Antilleans, Turks and Moroccans. Of course Turks and Moroccans came for work, or were selected by the numerous agencies that 'imported' labour force", Breda is a so called "Antillean city" because more than 1% of the population comes from the Antilles (Dutch Caribbean)

The immigration by refugees in the last ten years is a consequence of the national policy. When asylum seekers receive their refugee status, their names are forwarded to municipalities everywhere in the country that are obliged to provide them with suitable housing outside the normal waiting lists. A recent development is that the Polish community that consisted of ex soldiers since the Second World War grew the last two years with new immigrants from Poland.

The age structure of the bigger migrant groups is very different from the average in Breda, according to data received from Breda's statistical office. Especially Turks and Moroccans have high percentages of young people, for instance: Turkey: 62% younger than 29 years, 33% is younger than 14 years. This is almost the same among Moroccans. Among Surinamese 27% is between 10 and 27 years old. Half of the population that come from the Antilles is between 9 and 29 years.

Among the Surinamese and Antilleans 30% lives in a one-parent-family, very often with only the mother, only 17% live in a two-parent-family. Of the Turks and Moroccans over 50% live in a family with father and mother.

The socio economic position of Surinamese, Turks, Moroccans, Antilleans and refugees is in general not very good. Most of the migrants have a low income, so they depend on social housing. They are also more often unemployed. Compared to the percentage of the total population, they are 1.4 to 2.8 times more often unemployed. Considering the fact that a lot of migrant women are not working, this rate is even higher.

The unemployment of youngsters and of immigrants over 40 years old is very high, compared with the Dutch. This group is very often unemployed or on disability benefit or for a longer period and has limited chances to ever find work again.

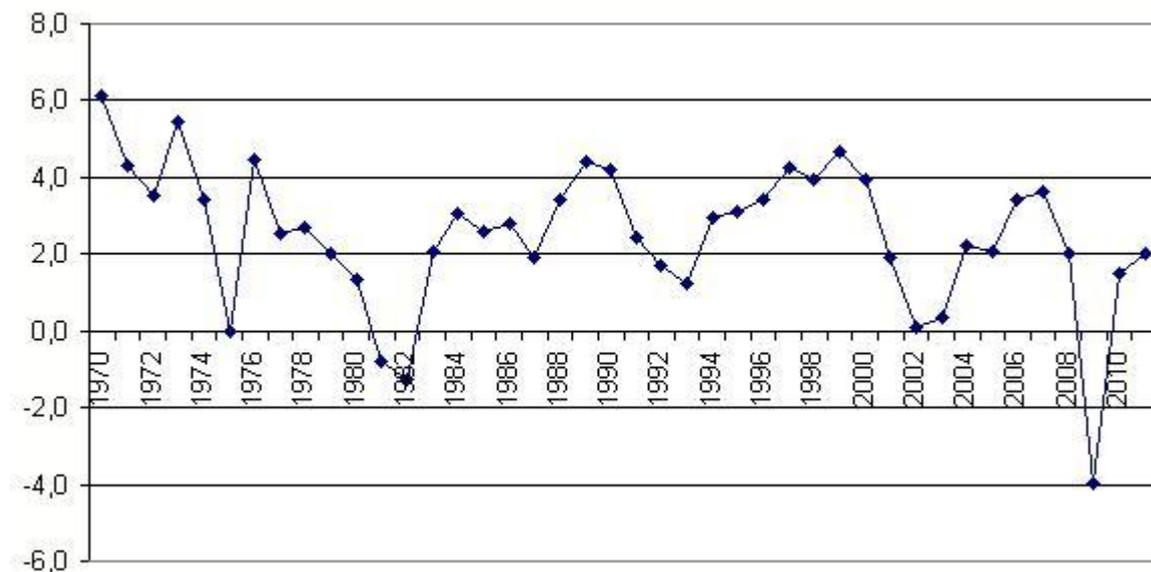
The information on the Moluccan group comes from a different source. When the Moluccan neighbourhood is rank ordered in a list of all Breda's deprived neighbourhood, it ends up in the 23rd position, while the neighbourhood where most Moroccans live ends up somewhere in the top of the list. This shows that the position of Moluccans have relatively improved in the last 20 years.

### **3. The urban economy in general**

#### *3.1 Historical development of urban economy*

In the last 40 years the Dutch economy was generally growing, except for a few problematic periods, as figure 1 on the development of the Gross Domestic Product shows.

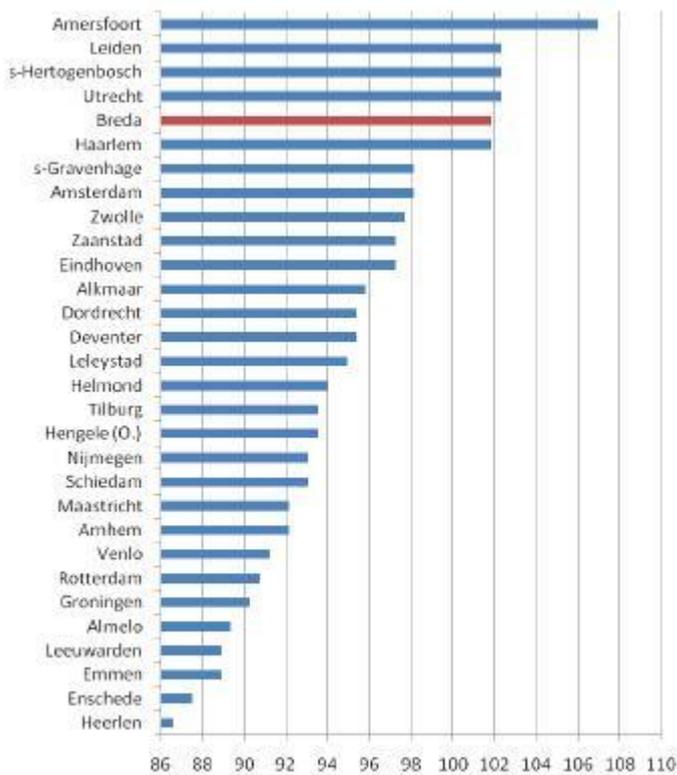
**Figure 1 Annual growth rate of the Gross Domestic Product (GDP) in the Netherlands between 1970 and 2010**



Source: CPB (2010), Netherlands Bureau for Economic Analysis,  
<http://www.cpb.nl/nl/research/sector2/data/>

In Breda there was in the 60's and beginning of the 70's still a lot of economic activity in industries, and both the city and the number of inhabitants increased. The availability of low qualified jobs attracted guest labourers from Turkey and Morocco. But towards the end of the 70's a lot this industrial activity diminish sharply. Like in other cities we have seen a shift from industrial activity into service directed activity. As figure 2 shows, Breda is a relatively well to do city. It was the fifth richest city in terms of household incomes of the G30 (list of 30 largest cities) in the Netherlands in 2006.

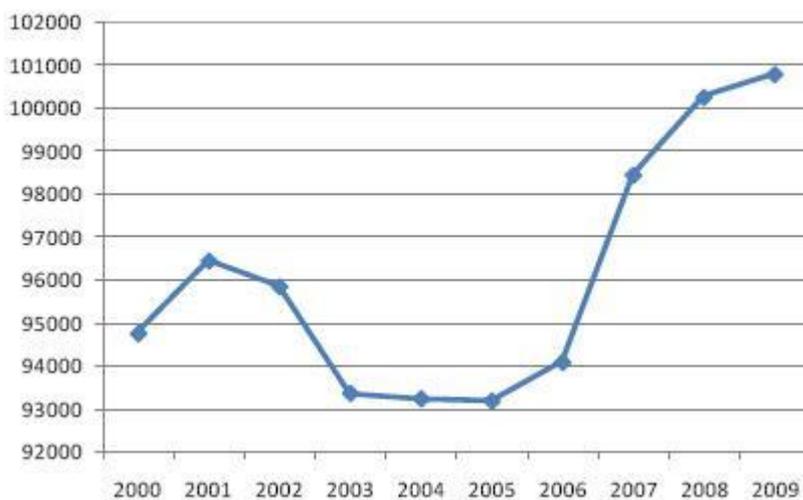
**Figure 2 Standardised household incomes in the 30 largest Dutch Cities (2006)**



Source: *Economische Barometer Breda 2010* (after CBS data) <sup>2</sup>

According to the 'Economic Barometer Breda' (2009), the local economy was still in a very good state in 2008, but in 2009 we saw that Breda couldn't escape the consequences of the economic crisis and a diminishing growth of employment became visible. But Breda did not get into a very problematic situation compared to other European cities, as figure 3 shows.

**Figure 3 Development of the economy of Breda, shown in the numbers of jobs between 2000 and 2009**



<sup>2</sup> <http://www.economischebarometer.nl/>

*Source: Economic Barometer Breda 2010*

The growth rate of the number of jobs diminished from +4.6% in 2007 to +0.5% in 2009. But even though the economy was recovering in 2010, the authors of the economic barometer 2010 expect that the unemployment will increase from 6,000 (7.1%) to 8,100 (9.6%) towards the end of 2010. We will show more details on the unemployment in section 3.3.

### *3.2 Main industries and services*

Generally in the Netherlands, half of the Dutch gross national product is earned in services; a quarter in the sales of goods and the rest can be attributed to government as part of the non commercial services. The importance of the industrial sector has sharply diminished since the beginning of the nineteen nineties

Summarized in a few points, the economic structure of Breda had the following characteristics in 2009 according to the Economic Barometer 2010 (p.12):

- In 2009 there were 100,790 jobs in Breda and the unemployment is relatively high currently (7.1%);
- The number of one man businesses doubled in eight years time;
- The ongoing growth in start-ups between 2000 and 2008 came to a halt at 1,400 in 2009;
- A quarter of the start-ups were in advice and research;
- The three most important sectors for Breda are: trade, repairs, care in the health sector and in wellbeing and commercial services
- The number of stable jobs has gone up slightly and the number of temporary jobs through agencies has considerably gone down, which is a first sign of the economic recession;
- In comparison with other cities, the sector trade and repair are more represented and financial institutions are less represented;
- The employment dynamic is mainly caused by a growth of more than 500 jobs in the advice and research and other business services and the decrease of more than 500 jobs the industry;
- The employment in the economic sectors with good chances as noted in the 'Impulsnota 2010', international trade, logistics & hospitality, indeed develop more positively than the mean. The knowledge industry was disappointing.

Breda has a diverse and internationally oriented economy and is highly appreciated as a location for business establishment, though the appreciation of the services, as in other cities, less good. Even though the employment is diminishing, the industry still provides 12% of jobs, and is therefore an important part of Breda's economy. There is a discrepancy between demand and supply, for instance more demand for technical jobs than technicians. The educational institutions and businesses have an important task here. And provide services to the industry.

Wholesale and logistics are closely connected. Together these sectors provide 11.5% of employment in Breda. In the last five years, employment in wholesale and logistics went down considerably. On the other hand the number of branches (locations) is increasing for years. Expectations for the future are therefore positive.

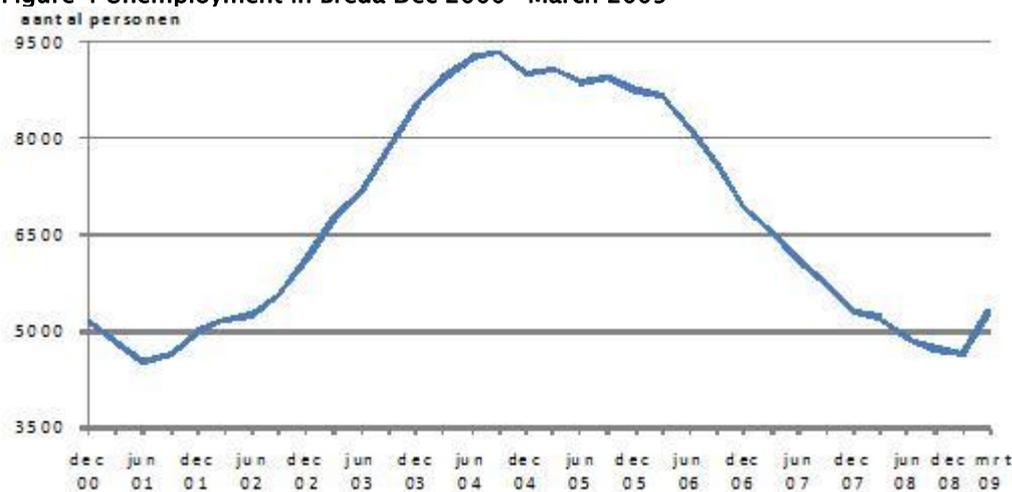
Hospitality is the sector in which all kinds of care to consumers are arranged. About one third of Breda's employment is in the hospitality. Compared to the rest of the Netherlands (28.5%) this is a large share and in the last five years the employment grew with 2.5%.

In the service sector, the employment grew considerably in the educational institutions in the last five years. The number of jobs also increased slightly in the 'other' services, while the employment in business services remained more or less the same. Financial institutions lost a lot of jobs, partly due to reorganisations on national level.

### 3.3 Size and characteristics of workforce

Breda's population in the working age (15–65) consists of 111,156 individuals on 1-1-2010, of whom 84.160 make up the labour force (76%).<sup>3</sup> Of the total labour force 6027 were unemployed in November 2009 (7.2%). As figure 4 shows, Breda came from a period with the lowest point in December 2008, but unemployment is rising again. The Economic Barometer expects the unemployment to increase to 8100 (9.6%) towards the end of 2010.

**Figure 4 Unemployment in Breda Dec 2000– March 2009**



Source: BreDATA (<http://www.bredabuurtmonitor.nl>)

Generally the participation rate of Dutch is higher than for the immigrant groups. Secondly the unemployment rate of Dutch is much lower than among immigrant groups. And thirdly, looking at gender, the unemployment among women is higher than among men. While unemployment among autochthonous men is only around 9% we find much higher unemployment rates for Turkish women and Moroccans women.

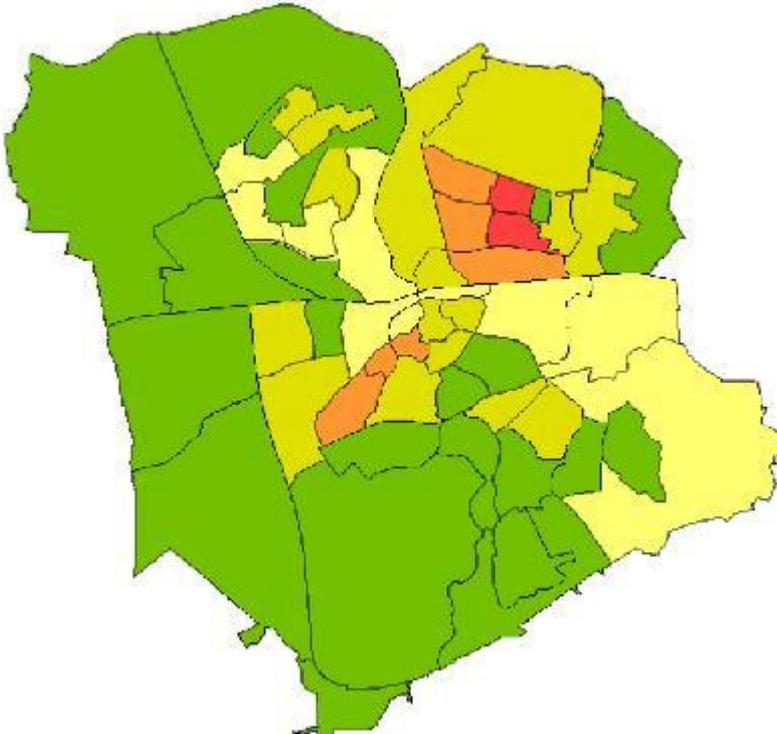
Not visible in the table is that the unemployment is highest among young people (18–25). The reason for unemployment is the mismatch between demand and supply. There are not enough low qualified jobs. Two third of the unemployed has a low educational level.

<sup>3</sup> Note that the figure on the population from 15–65 years old is from 1-1-2010 (website statistics Breda), while the figure on the labour force and the number of unemployed is from November 2009 (both from the Economic Barometer).

Figure 5 shows that the unemployment per 100 citizens is higher in areas where concentrations of immigrant live. The red colour indicates the highest unemployment level, in this is found in Breda Noord.

The educational level of the first generation of non western immigrants is lower than the Dutch level. Particularly the first generation Turks and Moroccans have traditionally worked in the industry, but with the disappearance of the industry the number of low qualified jobs also went down. Of course there are still several possibilities for low qualified jobs in the transport and commerce sector, hospitals and the government sector, but compared to twenty years ago it has become more difficult for people without qualifications that speak limited Dutch to remain active on the labour market.

Figure 5 Unemployment per 100 inhabitants per neighbourhood of Breda (1-1-2009)



Red= >10 unemployed per 100 inhabitants, orange= 6.5-10, yellow=4-6.5, light green=4-2.5 dark green=0-2.5

Source: BreDATA <<http://breda.buurtmonitor.nl>>

### 3.4 Formal access to entrepreneurship

By Dutch law, a starter needs to register in the Chamber of Commerce, showing valid identity papers: that is a passport, a Dutch driving license, a European identity paper or a Dutch 'foreigner document'. If a person is already living in the Netherlands he will have a '*sofinummer*' (citizens service number), other wise one cannot even open a bank account. A new immigrant obtains a citizens service number, when he registers with the municipal authorities (the Municipal Personal Records Database). For some legal forms more documents are required, like a rental or franchise contract. In some cases a diploma is required to establish as a certain type of professional. If the starter comes from a number of countries (listed on the chamber of commerce website), he or she will first have to legalize his diploma to register as a professional. From most European and some other countries one only need to obtain an apostil stamp in the case diplomas are necessary.

To register in the tax system one has to fill in the form "*Opgaaf gegevens startende ondernemers*" (Statement of information by a new business). The intake for the tax authorities is now done at the Chamber of Commerce at the same time. The tax authorities make a provisional assessment of the business and decide which taxes and how much the new entrepreneur has to pay, and will provide the starter with the necessary registration numbers (for example a VAT number). Businesses may have to deal with four kinds of taxes: 1. Value added tax VAT: It is almost always compulsory for businesses to

charge clients VAT (BTW). 2. Income tax: If the Inland Revenue considers the starter as an entrepreneur, he can benefit from a number of tax allowances. He will then pay less income tax. If he is a director/shareholder or normal employee of a limited company, he must be on a payroll. 3. Wages and salaries tax: If the business employs staff, it will be liable to pay wage tax. And a payroll administration must be set up. 4. Corporation tax: If the business is a private company with limited liability, it will be liable to pay corporation tax.

An entrepreneur will be dealing with two kinds of insurance: personal insurance (such as health insurance and household contents insurance) and business insurance (such as insurance of inventory and stock).

The amount of laws and permits that govern the business sector is enormous. It is generally acknowledged that the bureaucracy around starting a business is much too complicated in the Netherlands, both for Dutch entrepreneurs, but even more so for immigrants. A short list of the permits that we find in all cities is based on the website of the Chamber of Commerce<sup>4</sup>:

- For the transport sector one needs either a permit to transport goods for third persons on the road or a permit to transport people on the road from the '*Stichting Nationale en Internationale Wegvervoer Organisatie*' (NIWO National Foundation for International Road Transport).
- In the financial sector one needs to ask a permit from the '*Autoriteit Financiële Markten*' (AFM Authority Financial Markets).
- For retail trade one needs to know the local law on opening hours law, if one wants to put goods outside there is a permit from the municipality, and to organise 'shopping week promotion activities' one needs a permit on the law on games of chance from the Chamber of Commerce.
- To sell on the street, one needs a street trades licence from the municipality, and to sell on a market the '*standplaatsvergunning*' (market stand permit).
- For the construction sector there are specific safety rules, the '*Veiligheid, Gezondheid en Milieu Checklist Aannemers*' (safety, health and environment checklist for contractors).
- For the hotel, restaurant and café sector there are more permits and regulations than for the other sectors, firstly the exploitation permit and the alcohol licence; then the terrace permit and the advertisement permit. But then the municipality also checks how much garbage you leave in public containers: if it is more than one sack a day, you need to become a member of a special garbage company for businesses. And of course there are labour and hygiene laws.

Besides the general laws and permits, there are local permits and event permits. The employers association MKB Nederland has published a study on local permits (MKB 2006), which concludes that permits differ in all municipalities, are overlapping and sometimes unnecessary, and many of them should be abolished.

Not only tax regulation, health and safety regulations, environmental regulation, labour regulation and planning regulation have to be taken into account, but also about paying copyright to BUMA STEMRA if customers can hear music, and the officially approved measuring scales in shops.

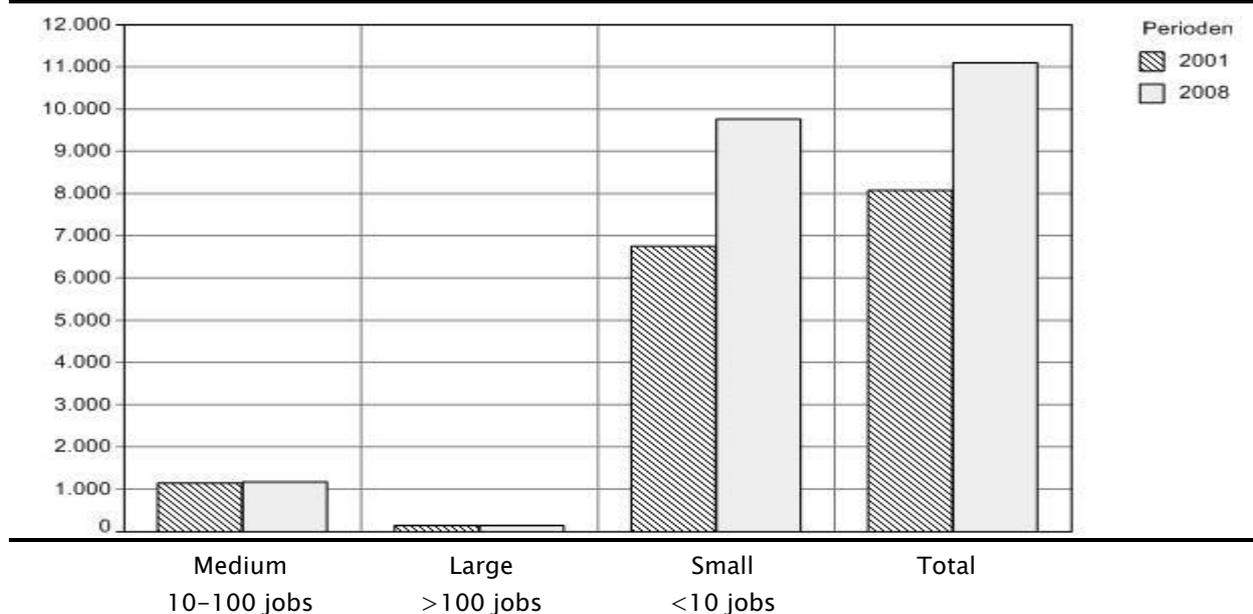
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<sup>4</sup> [http://www.kvk.nl/bedrijf\\_starten/verplichtingen\\_en\\_vergunningen/vergunningen/branchespecifieke\\_vergunningen/](http://www.kvk.nl/bedrijf_starten/verplichtingen_en_vergunningen/vergunningen/branchespecifieke_vergunningen/)

### 3.5 Development of small and medium sized businesses (SMEs)

Small and medium sized businesses form the largest part of the business sector in terms of the number of establishments ('vestigingen') as figure 6 shows. When we compare 2001 to 2008, the number of the small businesses is increasing considerably from 6,767 to 9,772 while the number of medium size businesses more or less remains at the same level (from 1,155 to 1,180) and the number of large business decreases from 152 to 145.

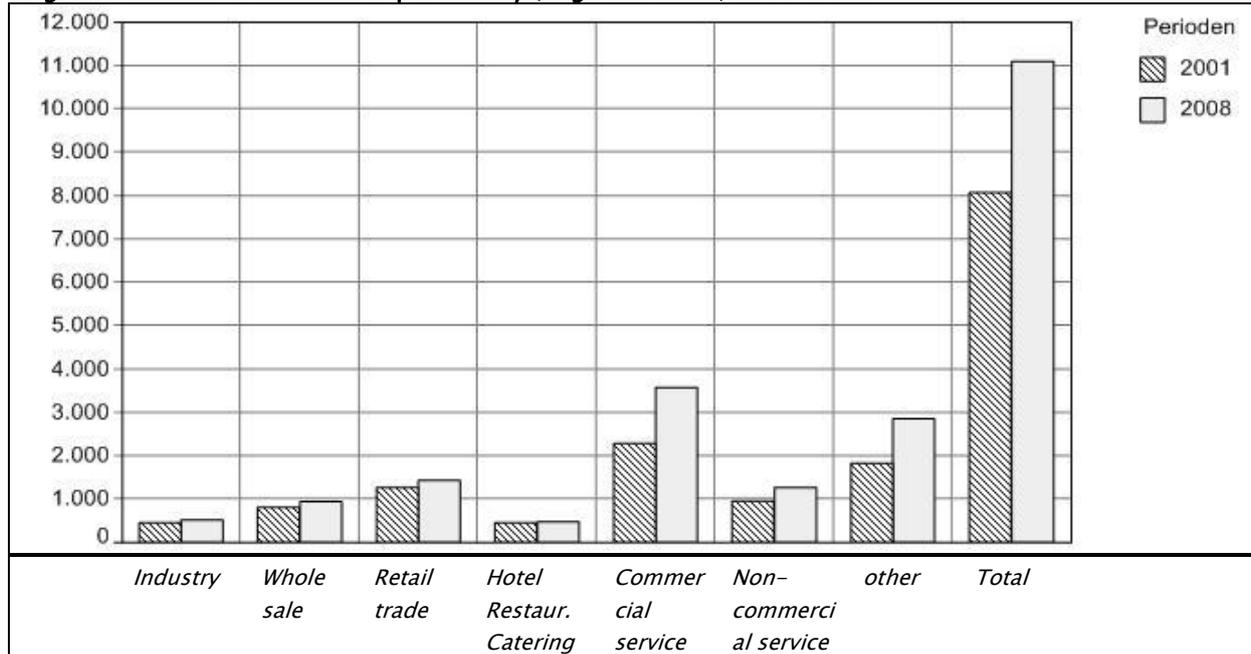
**Figure 6 Number of businesses in thee size categories in Breda in 2001 and 2008.**



Source: BreDATA < <http://breda.buurtmonitor.nl/> >

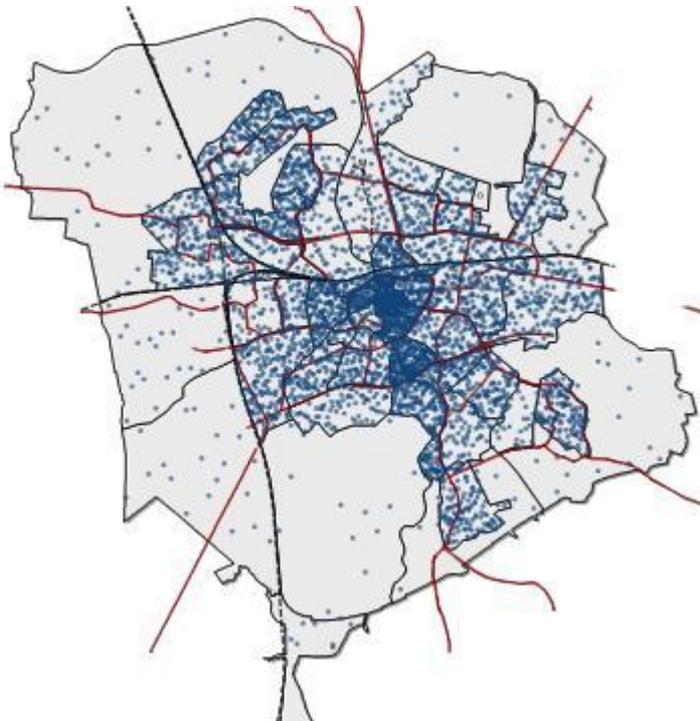
### 3.6 Sectoral and spatial distribution of SMEs

Though we don't have the exact data on the number of small businesses per activity in 2001 and 2008, we can safely conclude that the increasing activity categories are the categories where we find the small businesses.

**Figure 7 Number of businesses per activity (large and small) 2001–2008**

Source: BreDATA <<http://breda.buurtmonitor.nl/>><sup>5</sup>

So increase is visible in figure 7 in whole sale (from 811 to 938), retail trade (1,274 to 1,442), commercial services (2,286 to 3,576), non commercial service (950 to 1,279) and other activity (1,830 to 2,865). Growing most are commercial services and other activity.

**Figure 8 Spatial distribution of small businesses (<10 employees) in Breda (2007)**

Source: BreDATA <<http://breda.buurtmonitor.nl/>>

<sup>5</sup> More detailed tables can be found in the report by EIM (2009) page 10 and 11

Figure 8 shows the spatial distribution of the SME's. The concentrations of SME's are found in the city centre in the middle of the map and in the neighbourhoods around the city centre. Further outside the city centre there are less SME's. The larger companies are found in the city centre also, and on the industrial terrain north of the centre and in a broad stretch along the railway on the eastern side.

A recent change in the structure of the business sector is that the one man business (sole proprietorship) is becoming a more frequently occurring type of company. We find one man enterprises particularly in the following sectors: advice and research, information and communication, retail trade, building and culture, sport and recreation.

One impact of the economic crisis is that some formerly contracted employees have started to work independently, so the number of one man businesses has increased. This has particularly happened in all kinds of administrative, computer and management advice jobs. In some cases it is actually hidden (part time) unemployment, very often the number of worked hours has diminished. Another impact of the economic crisis is that some small businesses are operating on very problematic (lack of) profit margins. The only reason why some shops don't ask for bankruptcy is that the family lives below the minimum income, or a partner supplies the family income.

#### **4. Ethnic entrepreneurs: their position and problems**

This section describes and analyzes the development of ethnic entrepreneurship and the main characteristics of these business operations. Taking the abovementioned dynamics of the urban economy as a starting point how does the emergence of ethnic entrepreneurship fit into this picture? Which barriers do ethnic entrepreneurs encounter, and what are their competitive advantages?

##### *4.1 Definition of ethnic entrepreneurship*

We have not found a definition of an ethnic enterprise in the municipal documents, probably due to the fact that there are no policies on ethnic enterprises as such: all entrepreneurial policies are generic. The municipality also does not monitor the development of ethnic enterprises. But indirectly there are policies where ethnic enterprises can profit from, but they are directed towards specific target populations, so they might be indirectly useful for ethnic entrepreneurs. The background of the person is then the starting point. First and second generation non-western immigrants could be such a target population (based on his or her country of birth or the country of birth of the parents). The reasoning behind this is that a non western immigrant may have a disadvantaged position on the labour market, while the Dutch individuals or the western immigrants don't need extra support, and therefore municipal policies are only directed to non western immigrants. The specific target population might also be the entrepreneurs in one of the disadvantaged neighbourhoods. In that case there is a higher chance that persons of non-western background are part of the target group, again indirectly. But there is something illogical about this, because the percentage of persons of non-western origin is one of the criteria to become a 'disadvantaged neighbourhood'.

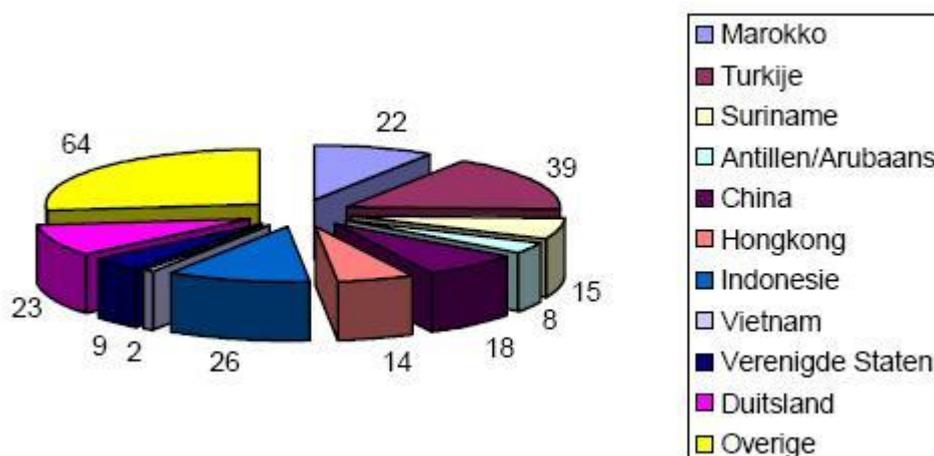
Outside the municipal publications, we find different definitions. The most usual one is that an ethnic enterprise is a business run by a first or second generation non-western (“allochthonous”) entrepreneur.

#### 4.2 Development of ethnic entrepreneurship

The municipality has recently not collected data on ethnic entrepreneurship, but there are data from 2002. Between 2002 and 2004 there has been a European EQUAL project, in which the Turkish foundation ‘Stichting Anifer’ made an overview based on data the Chamber of Commerce in 2002. We have not received the Anifer data, but they were quoted in *Breda (2004) Monitor Integratie*. Unfortunately our request to the Chamber of Commerce to get an update in 2010 has not been answered.

In the middle of 2002 Breda had 240 entrepreneurs with a non Dutch origin (ethnicity), the region of West Brabant 800. In Breda Turks comprise the largest group among them, namely 16%, as figure 9 shows.<sup>6</sup>

**Figure 9 Countries of origin of the ethnic entrepreneurs in Breda in 2002**



Source: *Breda (2004) Monitor Integratie* (based on figures of the Chamber of Commerce/Anifer)

Since national data show that the number of immigrant entrepreneurs tripled between 1986 and 2000, this is probably also the case in Breda. We can safely assume that the number of ethnic businesses has further grown as in other parts of the Netherlands.

The study by EIM (2007, p: 32) shows firstly that entrepreneurship in general is on the rise among all groups: for instance in Amsterdam from 44,800 to 50,900 in total; secondly it shows that immigrant entrepreneurship grows faster than Dutch entrepreneurship; and thirdly it shows that the number of non western immigrant entrepreneurs grows more than the number of Western immigrant entrepreneurs.

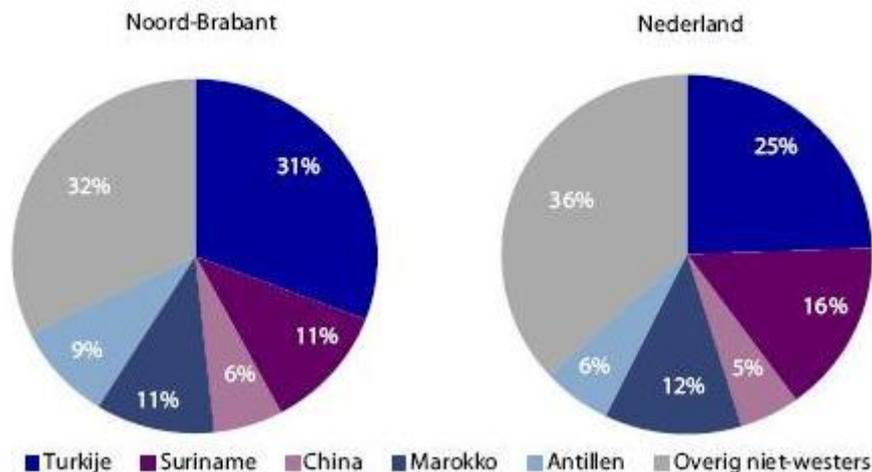
In another report by EIM (2009:17) on SME's in Breda, we find a paragraph on immigrants, saying that the number of immigrant starter in the Netherlands increased between 2007 and 2008 with 14%. Turks

<sup>6</sup> Probably the second generation has been left out of the counts, since we found a comment by Van de Tillaart & Van de Berg that they were left out in the Anifer Study (2004: 22).

are still in the top 5 nationally, with 2,680 starters in 2008, but Bulgarians, Moroccans climbing and Poles diminishing.

Asselbergs et al. (Rabobank 2006) show that the province of Brabant, has relatively more starters with a Turkish, Chinese or Antillean background and less Surinamese and other non Western starters (figure 10).

**Figure 10 Percentage of (non western) immigrant starters per ethnic group in the province of Brabant compared to the rest of the Netherlands, 2005**



Source: Asselbergs e.a. (Rabobank 2006) based on Chamber of Commerce.

The Breda Monitor on Integration continues that only 22% of the entrepreneurs were female. The resistance of the immigrant companies is lower than that of starters in general, though the closure figures among starters are becoming more similar to the figures among Dutch starters: in 1992 27% of immigrants closed after one year and 14% of Dutch, while in 1999 17% of immigrants closed and 14% of Dutch. Turks are relatively most active as entrepreneurs (10.1% of Turks has his own business, and 10.2% among Dutch, while among Surinamese, Antilleans and Moroccans only 5% has his own business) (Source: Breda Monitor on Integration 2004) .

#### 4.3 Sectoral and spatial distribution of ethnic enterprises

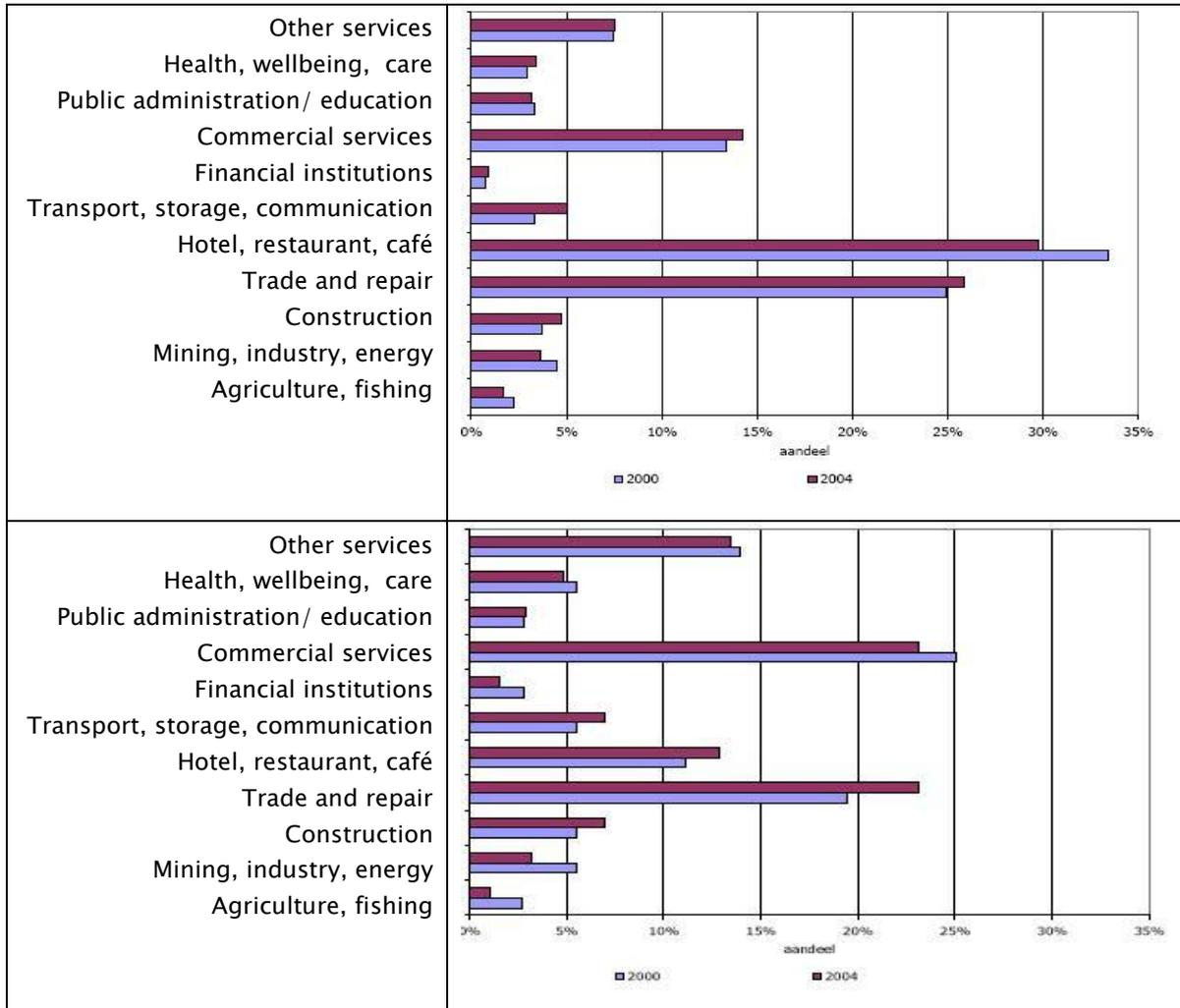
##### Sectoral distribution:

The Breda Monitor on Integration 2004 shows that hotel and catering industry was at that time the largest branch among these immigrant entrepreneurs ( 33%), followed by whole sale (16%), business services ( 13%) and retail trade (10%). But, as the author remarks, many retailers have registered as whole salers, because that doesn't require business licences. She estimates that only 10 to 20% are actually whole salers, which means that retail trade is actually the second largest category.

But the branch preference is of late shifting from hotel and catering industry to business services. The second generation tends to choose for high quality services like advisory bureaus, research bureaus or public relations.

From the national '*Monitor Nieuw Ondernemerschap 2006*' (EIM, 2007), we get further insight in the sectors that immigrants choose generally in the Netherlands, as presented in table 3. Dominant for the first generation are two sectors 1) hotel, restaurants and cafés, and 2) trade and repair. For the second generation the dominant sectors are: 1) commercial services and 2) trade and repair.

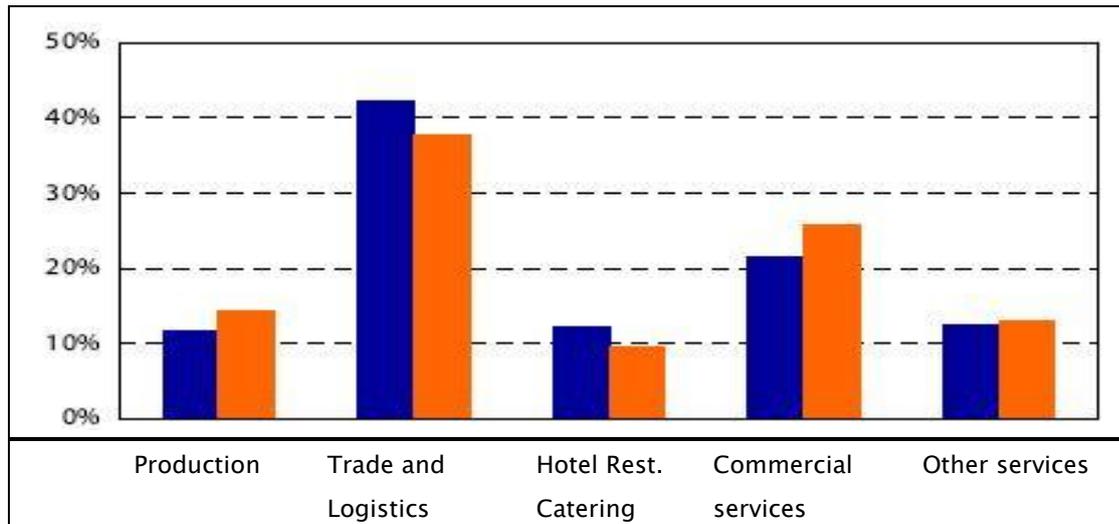
**Table 3 Sector choices of non western immigrant entrepreneurs of the first generation (on top) and of the second generation (below) in 2002 and 2004 in the Netherlands**



Source: EIM (2007: p. 16)

The number of starters per ethnic group and per sector in the province of Brabant compared to the rest of the Netherlands is shown in figure 11. There are more starters in trade and logistics and in hotel and catering industry (horeca) in this part of the Netherlands than in the rest of the Netherlands, while there are fewer starters of commercial services and production than in the rest of the Netherlands.

Figure 11 Immigrant starters in 2005: the province of Noord Brabant (blue) compared to the rest of the Netherlands (orange)



Source: Asselbergs et al. (Rabobank 2006) based on Chamber of Commerce.

#### Spatial Distribution:

There is no information on the spatial distribution of ethnic businesses in Breda. The '*Monitor Nieuw Ondernemerschap 2006*' (EIM, 2007), a national study, provides some conclusions that are also relevant for Breda. EIM concludes that ethnic enterprises are just like the ethnic groups where they originate from concentrated in certain city districts and neighbourhoods. Immigrants are more often concentrated in disadvantaged areas, as measured with the mean home value, which is lower in disadvantaged areas. In the four big cities the spatial concentration of second generation western immigrants is rather similar to that of Dutch. First generation immigrant entrepreneurs in Rotterdam, Den Haag and Utrecht have established their businesses more often in neighbourhoods with a low mean house value. For the non western immigrants this is more evident than for Western ones. The first generation non western immigrant entrepreneurs are more concentrated in disadvantaged neighbourhoods than the second generation.

#### *4.4 Reasons for entrepreneurship career, market and competition*

The reasons why immigrants in Breda choose for a career as entrepreneurs are not only of a purely commercial nature. There seem to be quite some cases where frustrations on the labour market have led to the decision to start for oneself. A first reason we encountered among the entrepreneurs was the simple commercial reason: they had entrepreneurial interests, and saw a market for something. Some have already experience in the family, some don't. A second reason to choose for entrepreneurs among people who were actually educated in other fields, but after doing work for some years under the level of education, decided that it would be more enjoyable to work independently, and then searched for the most interesting option. Sometimes the entrepreneur thinks that a certain expertise from the country of origin could be interesting to sell, like food from the country of origin, etceteras. Another possible reason was that people worked in a similar business for a boss, and thought that they could do this too and/or maybe better.

Currently there are also a lot of unemployed young people who want to start a business without any clear plan or even entrepreneurial interest. They don't want to work for a boss, and for these potential entrepreneurs starting a shop is a negative choice, sometimes copy behaviour and sometimes the only thing they see as left to get out of unemployment benefit. In the unemployment office, they first try to find out how serious the plan is, and help them to think through all consequences, but if they judge the plan not serious, a discouragement route is chosen. Someone who starts a business without any sense for entrepreneurship is likely to get into trouble, and debts, and that would be worst than when he started. Of course the office for work and income can only stop people if they are using some kind of benefit, and not if they have saved or borrowed enough money to manage the first half a year.

### *Market*

In the last thirty years we have seen that ethnic entrepreneurs jumped into several niches. A well known example in the nineteen sixties is the Italian ice cream sales. In the seventies a business type that boomed was the Chinese/Indonesian restaurant and some years later the Pizzeria (first by a few Italians, but later by Turks). All these businesses targeted at Dutch clients curious about non Dutch food. In the eighties a sewing industry developed and ground floors and cellars suddenly filled up with sewing machines (Zorlu, 1998).

**Figure 12 Immigrant tailor shop in Breda**



*Photo: Anja van Heelsum*

Mainly Turkish and Pakistani business men, developed for some 10 years a garment industry that could work cheap and fast, producing fashion for department stores like C&A. Currently there is not a single one anymore, due to even cheaper production methods in the low income countries.

At present commonly visible ventures of ethnic entrepreneurs are restaurants, food stores, call and internet shops, laundrettes and steam pressings, tailors, clothing stores and clothing accessories stores, markets sellers, hairdressers, beauty saloons, employment agencies, bakeries and butcheries etc. Among restaurants and shops, there is some copy behaviour: one successful Moroccan bakery is copied even in the same street, and until there are too many. They frequently aimed primarily at their own group as clients, though this applies in particular to the first generation entrepreneurs.

Nevertheless, there are some well known examples of ventures that have grown in this manner. Ethnic entrepreneurs have unmistakably contributed to a broadening of the professional structure and pluriformity of the services (as for instance the return of the tailor in the city) and to a broadening of the quantity of shops in many neighbourhoods. But there are also the less visible companies, like for instance the ones working in the construction industry and the cleaning. The last years the orientation of ethnic entrepreneurs seems to broaden. Interesting developments are the care entrepreneurs, legal and financial service providers, computer companies, social and spiritual care workers, home advisers etc. This is partly due to the second generation coming forward, who have enjoyed better training.

According to Karima Kourtit, researcher at the *Vrije Universiteit*, most of the second generation Moroccan entrepreneurs work in the modern niches of IC and business service provision. Sometimes they choose these kinds of ventures consciously not to aim primarily at their own ethnic group i.e. "break out". MacDonaldis and the supermarket chain *Albert Heijn* are both busy with feasibility study on 'halal proof' products and make this part of their mainstream. Thereby an enlargement of the target group of customers can take place. One of the main banks, *ABN-AMRO*, is trying to connect to privileged Turks, in association with the Turkish *Yildiz bank*. And the care insurance company *AGIS* anticipate on multicultural products, for instance extending its insurance with special care in Turkey, Morocco and Surinam, as well as products which anticipate on specific traditions (for example care during Ramadan).

#### *Transnational networks*

Ethnic entrepreneurs have often more contacts abroad than their Dutch counterparts. Turks tend to work in Germany and Turkey, and Moroccans in Morocco, Belgium and France. That ethnic entrepreneurs have an established network of contacts abroad works in their advantage. It is for instance cheaper to have bicycles assembled in Turkey than in the Netherlands, as the successful Turkish entrepreneur of the 'Fietsenfabriek' (Bicycle Factory) has shown. And in Turkey itself the industry is booming; it produces cheaper than the Dutch industry.

#### *Competition*

Ethnic entrepreneurs have several strategies to outperform their competitors. One strategy of ethnic entrepreneurs is jumping in a new section of the market, as happened with the pizzeria businesses. In the period that pizzerias became popular; there were not a lot of foreign food restaurants, so the

public found the food interesting and new. In the last 15 years the same is happening to other foreign restaurants.

A strategy that we already mentioned is to focus at ones own ethnic group. Halal butchers and Afro hairdressers are examples which have provided specific services that were non-existing, or the existing shops were not good at. The grocery stores in immigrant neighbourhoods are without doubt popular among Turks and Moroccans because they sell exactly the same olive oil that women in the Turkish village used at home, and because one can have a nice chat in ones own language with the shopkeeper. And a third strategy is to produce cheaper than the Dutch competitor. Extremely low salaries, long work hours, and sometimes hiring employees outside the official route made the tailor shops successful. And the Moroccan bakery is open on Sundays, when his Dutch competitors are closed.

**Figure 13. The smart Moroccan Supermarket 'Marakech', advertises 'delicacies'**



*Photo: Anja van Heelsum*

#### *4.5 Workforce employment conditions, labour relations and illegal and informal practices*

We have no information on the size of the workforce employed by ethnic entrepreneurs. But based on what we saw during our interviews we estimate that the workforce employed cannot be very large. To start with many companies are one man businesses. Secondly there are quit a few of them that operate on the margin of survival and have no more employees than their wives that help for free or a nephew that is paid unofficially for a few hours a week.

Although we already mentioned that ethnic entrepreneurs often work more hours for minimal salaries, this doesn't mean that the employment conditions are always miserable in ethnic enterprises. From our interview with a representative of the '*Arbeidsinspectie*' (Labour Inspectorate) we get the impression that ethnic entrepreneurs are not less careful with the labour regulations than Dutch entrepreneurs, but are less aware of rules. The ones that are caught on breaking the labour laws often

don't know all the complicated rules about for instance safety on the work floor, hygiene, work hours and conditions. The representative thinks her task is to educate people about all these laws, and feels that it is easier to educate the immigrants than the protesting Dutch, who find it all unnecessary interference. In the immigrant companies there is quite often a lack of awareness about safety or hygiene. She explains how she helped a Pakistani import company to make the obliged risk analysis when working with gassed containers, and found a very cooperative partner, because they never realised how dangerous this was. The three problems she notices in her work are: a) lack of knowledge, 2) not seeing the advantage of professionalisation/ long term investments and 3) simply problems with writing. They sometimes use standards from their country of origin that are not applicable.

Abuse of employees (long work hours and low pay) is to her opinion not specific for ethnic companies. She finds more Dutch employers abusing Poles than Turks or Moroccans abusing their countrymen. According to EIM (2009: 13) the level of unionisation in Breda is 48% (22% with BZW, 23% with a local association and 17% with MKB); while 47% is not interested at all in these networks. The rate of organisation is highest in construction (71%), hotel and catering industry (64%) and retail trade (59%), sectors with a lot of small businesses.

But the level of unionisation is lower among immigrants than among Dutch. The Turkish trade union representative for the *FNV Bondgenoten Detailhandel* estimates that 13% of Turks are organised in his sector, while 20% of Dutch are, and considerably less Moroccans. The situation among employers is even worse. The ZZP director says that only few of the 13,000 members have a non Dutch background (nationally). The representative of the employers association *MKB* tells us that only 2% of the MKB members are immigrants: MKB needs to attract young people, women, and immigrants.

Compared to other European countries, it is rather difficult for entrepreneurs in the Netherlands to work illegally or to work with illegal employees. But there are sectors, like construction, hotel/restaurant/café business, and care in peoples home where at least a part of the labour is not reported. According to the interviewee of the labour inspectorate this is not more common among ethnic entrepreneurs than among Dutch entrepreneurs, actually the big employers of Polish workers are Dutch bosses. There have been campaigns to stop illegal hiring of Poles, but as far as we know in the last years not towards ethnic business. The campaigns that were reported in the newspapers were directed at the agriculture (the asparagus harvesting) in Brabant.

On the other hand ethnic entrepreneurs are sometimes under pressure of family or community to 'take care' of a nephew or cousin or countryman, who may be illegal. And secondly they have such marginal profits that it is impossible for them to hire someone legally, so in case of illness they get into serious problems. Dutch café owners solve this by hiring someone officially for four hours a week and paying the rest black. The foreign café owners we talked to, was not ware of this.

#### 4.6 Problems and barriers

Some interviewees list the specific problems of ethnic entrepreneurs. Our respondent of the '*Arbeidsinspectie*' (Labour Inspectorate) observes three problems that ethnic entrepreneurs encounter more than Dutch ones: a) lack of knowledge, b) not seeing the advantage of professionalisation/ long term investments but also simply c) problems with writing.

A second interviewee, the director of the *Federatie Nederlandse Vakverenigingen (FNV) Zelfstandigen Zonder Personeel (ZZP)*, branch of workers union for independent workers without staff) remarks that the problems that she encounters among ethnic entrepreneurs are: a) administrative, b) under representation in the unions, c) hidden poverty, d) the information level is low, and e) there is no communication through the usual channels.

EIM (2007, p. 47–59) has compiled a complete list, based telephone interviews with 225 respondents in a national study, the following barriers among ethnic entrepreneurs:

- low education and lack of language proficiency leads to a lack of basic knowledge;
- limited preparation, the start is sometimes over-enthusiastic, without a developed business plan, and they get into trouble later for instance with the tax services;
- limited network formation, and lack of openness to networks outside ones own language group, but even within the language group there is not a lot of organisation;
- limited openness to information and advice, particularly to bureaucratic services, asking for advice from the government is considered a weakness, and problems are solved in the family;
- limited openness to institutions for entrepreneurial support, sometimes because they don't know these institutions, sometimes because they find them meddling;
- one-sided branch choice, easily accessible branches (low investment required), copy behaviour, but also risky branches;
- difficulties with financing, due to underdeveloped business plan, and lack of guarantee to get loans;
- norms of conduct are based on informality and trust; clients that can pay later, which leads to an unclear number of suspect debtors and a general lack of overview on the financial situation;

As a last point, EIM makes clear that the starting position of the second generation is better and many of the above points are less relevant for the second generation. For more information on how these problems effect the daily situation of the entrepreneurs, see EIM (2007, p. 47 onwards). We have considered the following subjects in more detail for all CLIP cities: financial management, marketing and bureaucracy.

#### —*financial management*

Ethnic entrepreneurs tend to have more problems to get bank loans. This is both due to mistrust on the side of the bank and to unpractical and risky plans, presented by people who speak limited Dutch. Ethnic entrepreneurs tend to borrow more easily within their network or family than Dutch. For Turkish entrepreneurs the Turkish banks are sometimes a solution, because family property in the country of origin can serve as security (*'onderpand'*) for the bank. We have not managed to find out to what extend it is important for the Muslim entrepreneurs that borrowing can take place in the 'Islamic' manner, so without paying interest. There are several sources that mention that the demand for 'Islamic' borrowing is increasing.<sup>7</sup> As far as we know only *Rabobank* had an experiment with Islamic banking in Utrecht.

<sup>7</sup> <http://napnieuws.nl/2009/10/16/islamitisch-bankieren-nog-lange-weg-te-gaan>

The situation in Breda seems slightly better than in larger cities like Amsterdam, because of the smaller scale of Breda. Since people know each other, immigrants more easily end up in networks than in larger cities. The Turkish lady that owns a small packing company is a board member of the local branch of *Rabobank* in her neighbourhood. In our telephone conversation with a representative of *Rabobank* he explains that the general strategy of *Rabobank* is to look at the viability of the business plan, and not at the nationality or ethnic background of the one who requests the loan. He says they are very strict on having objective criteria to judge requests. On the question whether the business plans of immigrants are less solid, he replies that he actually also gets a lot of indecent business plans of Dutch. He thinks it is not more difficult for an immigrant than for the Dutch fish and chips stand owners or the market sellers among his clients. His experience is that there are a lot of uneducated people that have problems with the difficult administrative and financial calculations.

—marketing

We have not much information on the problems or barriers that ethnic entrepreneurs encounter with regard to their search for consumers. The only thing that became quite clear from the interviews is that some of them only advertise themselves in their own community by word of mouth. They are active in informal channels, and less on marketing campaigns, or employers networking events. Some choose for a Dutch name, like Supermarket *Oranje* on figure 14, others try to advertise their “delicacies” as supermarket *Marrakech* (figure 13), actually opposite each other. According to researcher at the Department of Economics of the *Vrije Universiteit*, Karima Kourtit, this is still true for the second generation Moroccans. Companies of second generation Moroccans have improved compared to the first generation: they do not only look for Moroccan clients, or only for Moroccan employees, they are active in successful sectors as business servicing, but one difference remains with Dutch companies: the lack of membership in the ‘usual’ networks in the sector.

**Figure 14** An immigrant supermarket, using the royal colour and name as marketing instrument



*Photo: Anja van Heelsum*

*—bureaucracy and intermediary institutions*

That one needs to register in the Chamber of Commerce and with the taxes is something most people know. But where all the permits come from, is not clear to all, and there are permits that people have never heard of. The main problem is that people are not aware of all the existing rules, and therefore bump into institutions that they have never heard of.

Probably the most feared institution is the tax office. Getting a problem with them is not considered in people's control, but one may have to pay back for years. Most entrepreneurs that we talked to, don't fill in the tax forms themselves, but let an accountant or administration office do this, it is considered too complicated.

An institution that can cause irritation in the restaurant sector is the hygiene authority. They come unexpectedly and look for unhygienic situations everywhere, for instance in the rubbers of the fridge. Sometimes entrepreneurs get their information because stories go around in their community, like a story that one of the restaurants was fined because of employing people illegally. This startled the others, and they became much more careful to phone an extra person in the kitchen on a busy Friday evening.

## **5 City policies on entrepreneurship**

### *5.1 Policy line of the Economic Department*

The general objectives of Breda's Economic Policies focus explicitly at SME's. Both the Economic Barometer 2009 and the report by EIM (2009) for Breda have small businesses as their main subject. According to EIM Breda is aware of the trend that SME's provide most of the growth, and that international trade and logistic and hospitality are the most promising sectors. And it wants to create attractive locations for new businesses, improve the service provision for entrepreneurs and acquire new SME's and improve its relational management. In the Development Vision 2006–2010 (Breda 2006) an active start-up policy for creative entrepreneurship and cultural possibilities took shape. One should not think of the traditional artist, but for instance of small web design companies and commercial photographers who work together with offset producers of flyers, etc.

An important element is also to stimulate the neighbourhood economy, not only in the city centre, but also in the neighbourhoods further out. The traditional idea of a function division between areas for housing and for businesses is left, and liveliness of all neighbourhoods is considered important. Instrument that are currently employed are for instance a good portal on the Breda website for entrepreneurs, deregulation (making rules and laws simpler for start-up), a 'Starterslift', two multi business buildings, a prize for the best business ('Pluimen Breda'), coaching of both starting and existing entrepreneurs and local support in two neighbourhoods (Heuvel and Noord Oost). All these policies are general, though the two neighbourhoods that receive extra support are the areas of Breda where the concentration of immigrants is highest.

Another element of Breda's economic policy is internationalisation. Internationalisation is considered a prime mover of the Dutch economy by the national government. The national '*Economische*

*Voorlichtings Dienst' EVD* (Economic Information Service), an agency of the Ministry of Economic Affairs, supports actors to realise international ambitions. The target group includes entrepreneurs, policy employees at all levels and also scientists. Also in Breda there is attention for the strategic position of Breda near the Belgian border, with easy train connections southward.

### 5.2 Policies line of the Diversity Policy Department, and where the two meet.

In the 2004 Integration Agenda, immigrant entrepreneurship was still part of the explicitly stated objectives. At that time the municipality had been involved for two years in a project with a group of partners (Chamber of Commerce, Economic Department, *Stichting Anifer*, Diversity Department and others) that tried to develop a strategy to support ethnic entrepreneurship, but that group was not functioning well. The Turkish [foundation](#) *Stichting Anifer* held a survey among mostly Turkish entrepreneurs, and the results showed that the interviewees preferred no special policies, but that they would like to receive some support. So the Chamber of Commerce invited the Turks in their courses together with Dutch entrepreneurs. But that caused all kinds of frustration f.i. language problems caused irritation among the Dutch, half of Turks didn't turn up. Efforts discontinued after a) a rather negative evaluation by Van den Tillaart & Van den Berg (2004), b) lack of interest and disappointment about the cooperation in the department of Economic Affairs and the Chamber of Commerce and c) the follow up subsidy request from the European Equal funds was not granted. Though the diversity officer found it necessary to support ethnic entrepreneurs further, and to increase the awareness of the staff of the municipality who support starters from welfare and the Chamber of Commerce awareness of diversity, further activities could not take place.

In the 2004 Integration Agenda, the policy document of the Ministry of Economic Affairs '*Actie voor Ondernemers*' (2003 – Actions for Entrepreneurs) is quoted, in which the need to stimulate the growth of entrepreneurship in the Netherlands is noted. The three spear heads are quoted, namely to make our culture more entrepreneurial, to improve the point of departure of starters and to improve the quality of rules and public support for starters. Though these points fit quite closely to the goals of the Economic departments, the developments in the Diversity Department of the municipality on stimulating ethnic entrepreneurs have been completely stopped.

This was mainly due to the new approach that was chosen to formulate the Diversity policies. As we described in the CLIP report on the city's Interreligious and Intercultural Dialogue Policies in 2009, a new procedure to formulate policy spearheads was chosen, namely through a public inquiry process 'from below' (Van Heelsum 2009). The process chosen was '*Appreciative Inquiry*', developed by the American professor in organisational behaviour, David L. Cooperrider (Cooperrider & Whitney 2009). In this bottom up ideology of governing, citizens get the chance to fill in their tasks and the learning possibilities of all are recognised (*Samen aan de Slag*, 2009, p. 8). Instead of negation and critics, appreciative inquiry is basically a positive process, in search of what people see as their dreams and the focus is on discovery and design. The intentions were to inspire people to join in the policy making process, to activate them and to make them enthusiastic. As a starting point, so called *Stadsgesprekken* (Town Discussion) took place and this resulted in fourteen issues, and these issues

became project proposals.<sup>8</sup> A *Bouwgroep* (Building Group) was established, to steer this process. The task of the members of this *Bouwgroep* was to prepare an introduction on something that really involves him or her, on which a discussion could be based. Many of the initiatives came from a member of the *Bouwgroep*.

In Van Heelsum 2009 we have described which policy spearheads resulted from this procedure. In the field of work, three initiatives were developed: a) supporting poor working people, to become examples for unemployed; b) bringing employers and high educated immigrants together to 'wake up' the employer about the unused potential; c) getting a more diverse staff in the Town Hall. Just like many other subjects were forgotten (like religion, culture and identity), nobody thought of putting immigrant entrepreneurship on the list. Because of this there is currently (in 2010) no policy attention of the Diversity Department at all on immigrant entrepreneurship.

In the 2004 Integration Agenda, attention for the neighbourhood approach of the urban planning department was already mentioned. The revitalisation and restructuring of squares in the problematic neighbourhoods became an important element of the national policies, and therefore also for Breda. In the next years money for so called '*Vogelaarwijken*' (after the minister of housing, neighbourhoods and integration Vogelaar) became available, but Breda's most problematic neighbourhood did not end up in the list of the most problematic neighbourhoods in the Netherlands, and didn't receive national funds. However the Council decides that particularly two neighbourhoods (*Heuvel* and *Breda Noord*) should receive extra money and decides to pay for a neighbourhood policy itself and this includes stimulating immigrant entrepreneurship on sub local level. On the one hand it seems weird that this policy is implemented without involvement of the staff of the diversity department, but on the other hand this can be considered a sign that diversity policies have become normal within the general strategy of all departments, and will go ahead even if the diversity department has other priorities.

So the interesting situation has developed in Breda, in which the Diversity Department has no attention for ethnic entrepreneurs, while they are the main clientele of some projects in other departments. Though there are no explicit economic policies with regard to immigrant entrepreneurs, there are generic policies, and projects with certain target groups. Three elements of the policies are relevant for ethnic entrepreneurs and they form sometimes the main clientele. After listing the main actors, that deal directly or indirectly with ethnic entrepreneurs in section 5.3, we will treat them in the policies in the next sections: 1) start-up support, including the possibility to start from unemployment with financial support, which we will treat in section 5.4 on start up policies, 2) the multi entrepreneurs' buildings for small starters, like *Heuvel 100*, which we will treat in section 5.5, and 3) the neighbourhood approach, in this case focussing at neighbourhood economy and particularly at the square *Edisonplein*, where nearly all the entrepreneurs are immigrants in section 5.6.

### *5.3 Main actors to relate to inside and outside the municipal*

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<sup>8</sup> These discussions have been filmed, see <http://www.breda-morgen.nl/stadsgesprekken.php>

The following actors within the municipality are currently directly involved in the policies that touch on ethnic entrepreneurs:

- *Economische Zaken* – the department of Economic Affairs of the Municipality of Breda. We explained the policy in 5.1.
- *Sociale Zaken* – the Department of Social Affairs of the Municipality of Breda, though it is not very clear what the role of the diversity officer is as we have explained the policy in 5.1.
- *Department of Program Management and Projects*, that is responsible for neighbourhood development.
- *ID Plein* – a service related to the labour office that combines support for unemployed and employed in combining the options and information. Those interested to start a company and receiving unemployment benefit (WW from UWV) or welfare ('bijstand' from the municipality) can request a starting capital, as well as an income support for the first period after start-up. There are also several possibilities for coaching.<sup>9</sup>
- the '*Pleinmanager*' – the square manager on *Edisonplein*, who is actually not employed by the city but by a bureau, but (co-)funded by they city.
- the '*Business coaches*' coordinator of and business coach in the multi entrepreneurs' building *Heuvel 100*, and in *Noord Oost* also not employed directly by the city, but by a bureau, but (co-)funded by they city.

The following actors outside the municipality are relevant for entrepreneurs:

- *Kamer van Koophandel* the Chamber of Commerce is the starting point, where a new entrepreneur has to register the name of his business. At the first visit it is possible to get information and advice, for instance on the different legal forms. Since 2009 it is not necessary anymore to register separately at the tax office, since this is now also done at the Chamber of Commerce. The Chamber then checks the location, and helps to make the profit calculation, that is required for the tax service. Beside registration, the tasks of the Chamber include: giving information lectures and courses, organising network events, and cooperating with cities, supporting internationalisation and helping with sales or closure of companies.
- The general employers associations: '*Vereniging Nederlandse Ondernemers (VNO)–Nederlandse Christelijke Werkgeverscentrale (NCW)*' and '*Midden en Klein Bedrijf (MKB)*'. VNO–NCW is the largest employer's organisation in the Netherlands. The companies and branch organisations connected with VNO–NCW – altogether 115.000 companies – represent 90 percent of the employment in the Dutch market sector. VNO–NCW has a common policy office with the organisation for the small and medium sized companies: MKB–Nederland. The associations defend the interests of entrepreneurs, and take part in the national negotiations organ '*Sociaal–Economische Raad*' (*SER*) with the government and workers unions. If one becomes a member, a lot of support is free.

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<sup>9</sup> More information:

<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=975&fontsize=12&stukid=35629>

An example of the work of MKB Nederland is a report on local licences (MKB 2006), comparing what kind of licenses exist in different municipalities, and suggesting to simplify many, and abolish about a quarter. MKB is a relatively white institution, but it is actively trying to diversity in terms of gender, age and migration background.

- The largest workers union '*Federatie Nederlandse Vakcentrale (FNV) – Zelfstandigen Zonder Personeel (ZZP)*' department for independent worker without staff.<sup>10</sup> This part of the union offers information and advice, lower rates for insurances and administrative services, free legal advice and support, keeps members up to date with news, and lobbies for people who work independently. It supports in developing laws and creative solutions for pregnancy leave, disability to work and pension. And it offers a) training on specific issues like: working according to the safely rules of the '*Veiligheid, Gezondheid en Milieu Checklist Aannemers*' (working according to the safe, healthy and environmental checklist for contractors), internet sales, website constructions, digital presentations, but b) also on more general skills, like the taxes, fixing rates, contracts, networking and acquisition, presentation techniques, negotiating, and c) it provides individual coaching. FNV has 13,000 members in the ZZP section, but very limited numbers of immigrants.

- Networks of ethnic entrepreneurs, in this case particularly the Brabant provincial branch of Turkish *HOGIAF* network: *BIAD* is active. *HOGIAF* is the Turkish acronym for "Association of Young Entrepreneurs in the Netherlands."<sup>11</sup> As explained on their website, the federation has been established in 2006 by six local associations, in which mainly (Turkish) immigrant entrepreneurs are connected. *HOGIAF* arose from the need of immigrant entrepreneurs for a helping hand on the various facets of entrepreneurship. Other regular business organizations seem to fall short when it comes to specific problems this group faces. The starting equipment of immigrant entrepreneurs in knowledge, skills and experience was less than desired. In addition, immigrant entrepreneurs were often not sufficiently connected to (native) networks and organizations and are therefore particularly active within their own ethnic group. And immigrant entrepreneurs make little or no use of the services and opportunities for entrepreneurs in the existing institutions.

*HOGIAF* states that there is a high unused potential in the Netherlands among immigrant entrepreneurs that have economic relations with countries of origin and could enter new markets and strengthen relations. The immigrant entrepreneurs are familiar with the culture and customs of the country of origin and therefore faster, more effective and efficient in doing business. Furthermore, these networks can be used to support Dutch companies in these countries more effectively alongside the existing mainstream support. These were the reasons why *HOGIAF* was established and still continues its work. The provincial organisation in Brabant *BIAD*, wants to contribute to maintaining and where possible, improving the business climate in Brabant, through involvement in the creation of laws and regulations. It also intends to bring the (Turkish) entrepreneurs together to expand existing networks or form new networks, and to provide services to its members by providing information on (future) regulation changes and socio-economic developments, and by working with other organizations to provide customized consultancy. It intends to add to entrepreneurs awareness of the importance of corporate social responsibility (including environmental), and stimulate to contribute to helping solve some social

<sup>10</sup> <http://www.fnvzzp.nl/>

<sup>11</sup> *HOGIAF* <http://www.hogiaf.nl>

problems (for instance by creating internships for young immigrants who are not able to find placement as a result of their background). And it intends to function as partners of the institutions of the municipality that are especially relevant for starting entrepreneurs or that support specific entrepreneurs, particularly in the cities Breda, Tilburg and Eindhoven.

#### *5.4 Projects for starters: start-up support, starting from welfare and micro credit*

We will now turn to the policies that the municipality of Breda has implemented. Though stimulating people to get into ethnic business doesn't really take place in Breda, but immigrants can use several of the general stimulation measures meant to help people who want to start a business. According to Breda's website for starting entrepreneur there are three measures to support starters from unemployment<sup>12</sup>:

- The Business Information Desk. If someone wants to start a business and is receiving social benefits (e.g. disability and unemployment benefit), it is often possible to use the unemployment agency to get help in setting up a company, to get a start-up credit, or to (partially) remain receiving the payment to get the starter through the phase until the company can provide in his maintenance.
- Income Assistance. Novice and established independent businesses with financial problems can appeal to the '*Wet Werk en Bijstand*' (WWB, Law Work and Welfare) under certain conditions. This allows them to continue with their company. For starters from a (potential) unemployment situation, there are opportunities for coaching/mentoring and start capital the company.
- We already mentioned that *ID-plein* (an institution closely related to the labour office) supports and coaches people who want to start a business. The office for unemployment benefit/labour office (*Uitvoeringsinstituut Werknemersverzekeringen UWV Breda*) offers wage subsidies. If an employer wants to you attract new staff, one of the possibilities is to employ people who are receiving either welfare (bijstand) or unemployment benefit (ww). The municipality of Breda has several options to support this financially. There is for instance a subsidy on the wage or a premium, and the training costs of such an employee can be reimbursed by the Activation & Labour Department (*Afdeling Arbeid & Activering*)

Besides this, career guidance and lectures on professions are given on secondary schools, for instance by the representative of Chamber of Commerce to explain what the job of entrepreneur encompasses. There are complete business projects for students, in which they go through the whole process, from idea, to marketing, to selling, to making a balance. And the schools for professional education have possibilities for apprenticeships. Sometimes the schools provide contacts with larger companies but students can also search for the business where they want to go.

There are no specific measures to give ethnic entrepreneurs loans. All entrepreneurs are sent to the same funds.

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<sup>12</sup>

<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=975&fontsize=12&stukid=35629>

– Among the usual banks *Rabobank* is mentioned by many of our interviewees as the one which is most friendly to small entrepreneurs.

According to the websites *ID-plein* and the starters section of the municipality of Breda there are more possibilities for credit to serve people who don't manage to get bank loans:

- national possibilities, like the national '*Microfinancierings Steunpunt*'<sup>13</sup>
- provincial (Brabant) or regional (West Brabant) possibilities, like '*Microkredietloket West Brabant*'.
- local: specific support for the innovative creative, technical and knowledge sector, called the '*Starterslift*'.<sup>14</sup>
- and the '*Besluit Bijstandverlening zelfstandigen*' or BBZ regulation that offers the possibilities for support during the start of a business from unemployment.

### *5.5 Projects for existing entrepreneurs, stimulation of professionalisation, business locations*

In this section we will describe some measures of Breda to support existing entrepreneurs. As we explained, there is no specific policy for the professionalisation of ethnic entrepreneurs but ethnic entrepreneurs can profit from general measures. There are several projects with coaching activities by experienced entrepreneurs, as the list on the website of Breda shows.<sup>15</sup> The website of *ID-plein* also shows several options.<sup>16</sup>

One of them is to use the national network of retired entrepreneurs as advisor through a network called '*Ondernemersklankbord*' (Entrepreneurs feedback loop).<sup>17</sup>

As shown in 5.1, the Chamber of Commerce decided to attract Turkish entrepreneurs in the general courses, but this led to drop out and language problems. For the second generation it is easier to visit the general courses. The Chamber is not in favour of organising separate events after the failed project in 2002–2004. .

The Turkish entrepreneurs we talked to state that the courses and support given by the young Turkish entrepreneurs association *BIAD* are the best way to improve your knowledge about all aspects of entrepreneurship. The courses are given in Tilburg and are of a high quality. The question why the entrepreneurs is not going to the regular information meetings, was answered as follows. The first big advantage according to the entrepreneurs, are that complicated things are explained in your own language, so that misunderstandings cannot occur. The second big advantage is, that by visiting the *BIAD* meetings, one gets into contact with other Turkish entrepreneurs. There are very successful businessmen among them, who have become rich in the Netherlands or with trade between the Netherlands and Turkey. The network not only provides the possibility to contact a Turkish bookkeeper, but also the opportunity to call the new acquaintances at any time later on. An thirdly the fear of not being understood in a Dutch meeting and the trust in the good name of *BIAD* are relevant.

<sup>13</sup> <http://www.microfinanciering.com/mfondernemerspunten/waar>

<sup>14</sup> <http://www.starterslift.nl/>

<sup>15</sup>

<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=975&fontsize=12&stukid=35629>

<sup>16</sup> [http://www.idplein.nl/breda/breda\\_coaches\\_eo](http://www.idplein.nl/breda/breda_coaches_eo)

<sup>17</sup> <http://www.ondernemersklankbord.nl/>

The representative of *BIAD* stressed that their association is a temporary phenomenon, and that maybe in 10 years they won't be necessary anymore. But he stresses that there is still an enormous demand for support within a completely Turkish network, so they will continue until they have become redundant.

Generally the website of Breda provides information on business locations, including two industrial areas, a real estate monitor and information on the zoning plans of the municipality.<sup>18</sup> The website does not offer a list of empty properties, and surprisingly also no links to the existing multi entrepreneur's buildings, probably because this is coordinated by one of the housing corporations. We checked the website of the two relevant housing corporations in Breda *Wonen Breeburg* and *Laurentius*. 1) *Wonen Breeburg* has a page for searching entrepreneurs, but only one (!) empty location, and 2) *Laurentius*, offers two (!) empty business locations in a newly built complex. So housing corporations are not as powerful in renting out business locations as in Amsterdam. Probably it's easier to find business location through the newspapers of general websites.

The most specific measure to support small existing entrepreneurs in Breda is the establishment of the multi entrepreneurs building called "*Business Centrum Heuvel 100*".<sup>19</sup> The neighbourhood *Heuvel* is a less flourishing neighbourhood with a concentration of immigrants and it needs some improvement. There are several plans to improve the squares and to give the neighbourhood a centre with more activity. An old school building was empty, and as part of the neighbourhood improvement policy, it could be used for three years cheaply by small starters, from 29 September 2007 until the moment that it will be demolished halfway 2010. The rents were extremely low at the start, like 100 euro per month for 50 m<sup>2</sup>.

As part of the neighbourhood improvement policy, a business coach is actively assisting young entrepreneurs to set up their business, and established ones to improve their operations up to 5 years after start-up. The ones that started their companies a few years ago in *Heuvel*, could qualify for coaching and guidance. The business coach has helped people to analyze the business plan and to develop entrepreneurial skills. The coach functions also for all entrepreneurs in the *Heuvel* district and cooperation between entrepreneurs is stimulated.

After arriving at the old school building, the first thing that stroke us, is that we had to change our concept of what is a business. The first impression is that this is not of a business building, but a gathering of artistic and alternative activities, it looked more like a 'breeding ground' of creativity. But after some explanation we understood that there is a fuzzy margin between fully commercial businesses, the creative industry (household product design, designing and printing of cards and brochures) and the sector of other services (intercultural communication bureau, yoga courses, personal growth courses, etc.).

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<sup>18</sup> The section on business locations is rather short:

<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=977&fontsize=12>

<sup>19</sup> Translated from

<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=975&fontsize=12&stukid=35629>

Two of the entrepreneurs in the centre are Turkish ladies and sisters. One is running a laundrette. The other one, a former social worker, is running the packing company *Femina*. The company cooperates with a social initiative that is legally based in a foundation. The purpose of the foundation is to give a group of 9–12 women a friendly learning and working environment, in which they get Dutch lessons, information lectures and working experience at the company. So the '*Femina* learning workspace' provides the ladies with an intermediate station, who do not yet fit in regular Dutch language schools. Like many of the activities in *Heuvel*, this initiative is something halfway social work and commercial activities. The packing company operates commercially.

The idea behind "*Heuvel 100*" has been to stimulate new types of creative and knowledge business activity as part of the economic strategy of Breda. But in the last three years it became clear that the requirements may have been a bit too loose for the participants. Currently the awareness is growing that some of the businesses will never become healthy and will never be able to pay a market conform rent. With the looming closure of the building, the stronger ones will probably rent a space in the nearby new building, but now for about 500 euro per month for 34 m<sup>2</sup>. Others will move back to the homes of their owners, or rent activity space for a few hours a week. The business coach is now busy finding suitable locations for all, and if necessary adjusts plans to a more commercial direction or to shut down certain businesses. In the meanwhile she has set up the '*Heuvel Business Club*', for the entrepreneurs, which consists business men and women from the neighbourhood. <sup>20</sup> Though the Turkish lady of *Femina* is part of the club, there are more ethnic entrepreneurs in the neighbourhood, who did not become members, but this may hopefully be a starting problem.

Looking back at the strategy that was applied in this project, it has been easy for the lucky ones that managed to rent one of the cheap spaces. Opponents remark that there has been false competition. But it has surely helped some starters to get through the first phase, and a certain section will proceed on the commercial market. What will happen to the two immigrant participants in the future is not yet clear.

### *5.6 Projects for neighbourhoods, and zoning plans*

Besides start-up support and support for existing entrepreneurs, municipal measures on neighbourhoods are relevant for ethnic entrepreneurs. Like all Dutch cities, Breda has a 'bestemmingsplan' (zoning plan) in which the intended use of every square meter of Breda is laid down. To have the intended use changed, a procedure of at least two months is necessary, with the possibility for the public to protest. On top of this Breda has zoning policies for instance to make the inner city an attractive shopping area, with a walking route for tourists and visitors, and cafes and restaurant on the squares. It also has special policies for the industrial sites, and it has more elaborate neighbourhood policies for three depressed areas with a lot of immigrants, namely, *Heuvel*, *Noord Oost* and *Driehoek*. Officials of the Department of city planning develop the plans, which include dismantling and renovating less attractive buildings, improving the diversity of the neighbourhoods in terms of buildings and type of inhabitants (renters versus owners) and encouraging the local economy by

<sup>20</sup> <http://www.heuvelbusinessclub.nl/>

looking closely at shopping locations and the potential of squares. As the city planning official explains, it is important to get more variety in the shopping streets in these neighbourhoods, to include shops that everybody needs, and to improve the outlook of the public space. Generally concentrations of phone houses, döner kebab snack bars and cafés tend to result in a less attractive street. In combination with groups of young Moroccan and Antillean boys with mopeds, problems can arise more easily.

The square were the administration of Breda puts a lot of effort currently is *Edisonplein* (in *Linie* neighbourhood), see figure 15. In the past it was typically an unattractive looking L-shaped strip of shops, with 80% of a little bit run down immigrant businesses. At present is turned into a surprising mix of diverse types of interesting shops, with a Mediterranean atmosphere<sup>21</sup>. There are both general and specific shops and it is possible to get food from Siërra Leone, Nigeria, Suriname, Curacao, Morocco and Turkey. We have talked to several shopkeepers and to the square manager of *Edisonplein*, who coordinates the execution of the improvements plans. In the case of *Edisonplein* the plans include renovation, trying to establish a line of attractive shops, throwing out less attractive shops, and improving the general outlook (pavement, trees). The street manager developed a profile for the street suitable to what is happening in the neighbourhood, and is trying to make the process more manageable for the entrepreneurs, by keeping contact with the contractor and exchanging information about the moment that certain activities will take place. The square is refurbished, the pavement near the shops will be enlarged into a real square, and cars will in the future not be able to get one meter from the shops, but they can park on the other side.

**Figure 15 The long stretch of the L-shaped Edisonplein, multicultural shopping square under repair**

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<sup>21</sup> The website of the entrepreneurs <http://www.edisonplein.nl/>

The plans of the housing corporation: <http://www.alleewonen.nl/paginas/430-herinrichting-edisonplein.html>



Source: <http://www.breda-bouwontwikkelingen.nl>

At the moment of the city visit it is extremely difficult to approach the shops, because deep holes are being dug right in front of the entrances. To get in to the Moroccan supermarket one has to jump and getting in to the bakery is not possible because one would have to jump a corner.

The entrepreneurs – already for three months in the middle of a construction site, are irritated, as one can imagine. At least three of them explain that their turnover has gone down considerably, and they are barely surviving.

The Moroccan square manager on the other hand is optimistic. He thinks the square is becoming much better, and when the building trouble is over, their turn over will increase to a better level than before because the area will be much more attractive. He thinks that people from all over Breda will come and see it, and come to eat lunch on the terraces.

The square manager is not only taking care of the contacts between the shopkeepers and the contractor, but also with the inhabitants above the shops (mainly private owners), the housing corporations (that has bought the most problematic parts), the project developer and the representatives of the administration. He has several other duties, like setting up a shopkeepers associations with the shopkeepers, organising cultural activities once a month on the square.

Though the opinion at the Town Hall was overwhelmingly extremely positive about the square manager, and about his enthusiasm and manner to push the development, the entrepreneurs were less convinced of his input. Of course we came at the most problematic moment, since they were already for months in a mess and their shops were not even approachable. It was not clear to all entrepreneurs how the street manager has supported them or could support them in the future, and some of them saw him as one of the people from the administration that had caused all this trouble (drop in turnover). As usual among business people they prefer to do their business without strangers giving unasked advice. But as one shopkeeper remarked, they are now forced to work together to diminish the trouble of the builders, so that was a positive effect. According to the officials in the Town hall, the

street manager has been very successful in raising social cohesion and they find the street manager a most useful inventions, that they would surely employ in other areas where renovation is necessary.

In a second immigrant neighbourhood '*Noordoost*' (Hoge Vught, Doornbos-Linie) a business coach is actively assisting young entrepreneurs to set up their businesses. If you want to start a business in the area you may be eligible for coaching and guidance in setting up that company. The business coach will help you analyze your plan and entrepreneurial skills. Then a business plan and made even after the official launch follows the 'after-coaching'. Even companies that started 5 years ago may use the counselling.

Figure 16 Turkish bakery in Breda



Photo:

Photo: Anja van Heelsum

### 5.7 Projects on other issues: diminishing rules, and stimulating transnational economic connections

Finally there are two policies that mainly exist in plans, but we did not (yet) find concrete measures. The first one is diminishing regulation, a target of the Economic Department. It is part of the policy plan '*Kleinschalige bedrijvigheid in Breda*' (EIM 2009), a documents that sets out some lines for the next four year period. Where the rules are being cut is not stated in the plans, but the well accessible digital information portal for entrepreneurs is most helpful for entrepreneurs. <sup>22</sup>

The second one is internationalisation. This is something in which ethnic entrepreneurs are specialised and its potential could be used more. Policies on internationalisation have, as far as we have seen, not translated into policies to find entrepreneurs that have contacts in Belgium and France as may be the case with Moroccans, or Turkish entrepreneurs that have contacts in Germany and Turkey. The Turkish Entrepreneurs Association *BIAD* stresses that ethnic entrepreneurs have an established network of contacts abroad, but in Breda *BIAD* is the only institution that seems to utilise these transnational connections. *BIAD* is trying to establish contacts with the administration of Breda, which could be further developed.

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<http://www.breda.nl/index.php?simaction=content&mediumid=1&pagid=975&fontsize=12&stukid=35625>

Figure 17 Travel agent, internet and telephone business at once.



Photo: Anja van Heelsum

### 5.8 Dialogue and the ability to influence the policymaking

Influencing the municipal policy is possible directly via the council, in which there are currently five councillors of immigrant origin (Nouhi and Szablewski in PvdA, Üçerler in CDA and Akinci in Groen Links), and via the policy process with discussions in the neighbourhoods that are orchestrated by the *Bouwgroep*, that we mentioned in section 5.1 (see also the CLIP case study on Interethnic Dialogue in Breda, Van Heelsum 2009). The *Bouwgroep* has until now not paid attention to ethnic entrepreneurship. Ethnic entrepreneurs have the same right to become a member of the workers union or the employers unions, but they are underrepresented.

On national level dialogue between administration and workers and employers unions takes place in the *Sociaal Economische Raad* (SER, Socio Economic Council). The regional version for Western Brabant is the *Sociaal Economische Samenwerking* (SES, Socio Economic Cooperation), a cooperation between all municipalities in Western Brabant.

It is stressed by all interviewees that there is a lot of informal communication in Breda. The official of the Chamber of Commerce knows all the officials at the Department of Economics, and if one of them has developed a plan, they phone each other and work together easily.

Van den Tillaart & van den Berg (2004:15) describe the '*Ontwikkelingspartnerschap*' (development partnership), in which the municipalities of Breda and Bergen op Zoom, the Chamber of Commerce West Brabant, *Stichting Werklijn Brabant*, workers union *FNV Regiowerk* and employers union *MKB regio West Brabant* cooperate.

We have not heard anybody referring to cooperation between the workers union FNV and the municipality. The reason is that the union generally operates as a lobby machine on national level, and the local or city district groups are not very strong, according to a representative.

Most of the dialogue and cooperation in Breda takes place when certain projects are installed. The most regular partners who meet each other are probably the Department of Economic Affairs, the offices for Welfare (bijstand) and Unemployment benefit (UWV). These partners often cooperate in the framework of ongoing employment projects. Whether *ID Plein* and the employers association are part of this, we don't know.

When it comes to the neighbourhood approach the Department for City Planning, housing corporations and real estate developers cooperate, but not the banks and the employers organisations. The Associations of Young Turkish Entrepreneurs BIAD has not (yet ) managed to get into the networks in Breda.

## **6 Conclusion and good Practices**

### *6.1 Summary and conclusions*

The number of ethnic entrepreneurs as part of the SME sector in Breda is considerable. It is unfortunate that we couldn't gather more recent data from the Chamber of Commerce, but probably the number continues to grow.

We heard two opposite views in Breda on the issue whether or not special measures are necessary for ethnic entrepreneurs. From the side of the Economic Department and Chamber of Commerce it is stressed that Turkish and Moroccan entrepreneurs don't want to be treated differently from Dutch entrepreneurs and that they are not enthusiastic to get nosy advice. On the other side, the CLIP contact person thinks that there are two issues that are generally problematic for the ethnic entrepreneurs a) their marketing strategy and how to improve it to make more money, and b) their administration, particular the taxes. It was our general impression that the ethnic entrepreneurs have specific problems and could profit considerably from some advice, although one has to be careful not to interfere too much. They are less well informed and sometimes get into enormous financial trouble, which could have been avoided with some extra support. But they are indeed sometimes only willing to take advice if they trust someone.

Now, what to do? The experience of the Chamber of Commerce has shown that just offering a course, for both Dutch and ethnic entrepreneurs, is not easily successful. On the other hand the courses offered by the Turkish Young Entrepreneurs Association *BIAD*, are highly valued, so there is a demand for these kinds of courses. Breda would probably not easily start courses in foreign languages. A solution could be closer cooperation between the general start-up and support initiatives of the city and *BIAD*.

The strategy of Breda to focus on a neighbourhood or a square seems to offer more possibilities. The advantage in the two examples was personal contact between the business men and the manager/coach. The street manager and the business coach had a small office among the businesses that they are supposed to help. Since most business men have not much free time, it seems necessary to go to their locations, and not to wait until they come to offices.

### *6.2 Good practices*

Even though there are no explicit policies on ethnic entrepreneurs, two good practices of general policies were important for ethnic entrepreneurs. The first one is the square manager on *Edisonplein* that we have described in section 5.6. The advantage of this policy is that multiple policy issues that are the responsibility of several departments come together in one person who keeps track of the total process. He is the first one where the inhabitants and shopkeepers speak to and he communicates for instance on zoning with the planning office, on use of land with the development office, on renovation with the housing corporation, on refurbishing of the square with the infrastructure department, on SME policy with the economic department. For the involved business people there is one single person that represents all these departments and for the official there is someone who is informed about the current state of the process, and in touch with all colleagues. We noticed that the fact that one single person has to know everything, can also make him vulnerable, since he will be blamed easily for everything that goes wrong and his clients don't see all the problems behind it.

The second good practice is the business coach in *Heuvel*, as described in section 5.4. Though one can discuss whether or not '*Business Centre Heuvel 100*' should have had stiffer rules on profitability and market conform rent prices, the centre was effective in creating personal contacts with the business coach and networks among very different types of entrepreneurs. With the knowledge that entrepreneurs are by definition people who prefer to arrange their own affairs, one has to make it easy to ask for advice. In this case the business coach had an easily accessible office, where one could come to with a relatively simple question. But a discussion on this simple issue can further develop into a more thorough discussion on aspects of someone's business plan or marketing strategy. In her position, the business coach had the chance to avoid some serious financial problems for people. Of course a precondition is that the coach is either free or very cheap.

### *6.3 Any other final comment or suggestion?*

Looking at Breda, we have noticed a rather inconsistent line of thinking on the subject of ethnic entrepreneurship. The policies seem to swing up and down, both historically and between the departments. As outsiders that investigate the process of policy formation in Breda, we were rather surprised by the way in which the diversity policy currently develops its priorities. There seems no ideological frame or party or coalition standpoint behind it. On itself the involvement of the public in policy development is not wrong, but in the case of the diversity policy in Breda, it has meant that a considerable number of important issues don't appear on the agenda.

We have already noticed this in module III on intercultural and interreligious dialogue (Van Heelsum 2009), in which we concluded that there is no policy at all on cultural, religious or identity issues, while these issues are mentioned most by the representatives of the associations that we visited.

The same problem seems to occur in this module. No one seems to have thought of putting ethnic entrepreneurship on the agenda, and therefore it is simply forgotten. The Economic Department doesn't push it, because of bad experiences in the past, and only the Planning Department turns to it on *Edisonplein* without reference to the other two. This seems to be a completely counter productive effect of the chosen approach of involving the public in policy development. To avoid scattering and only working on small issues, it would be good if Breda thinks of a master plan with some more

steering possibilities.

*Interview partners*

1. Ria Bolink, policy advisor social development, city of Breda (CLIP contact person)
2. Mylène Hodzelmans, department of economic affairs, city of Breda
3. Willem Raaijmakers, senior project leader city renewal and neighbourhood policy, city of Breda
4. Jac Trum, Chamber of Commerce South West Netherlands, the Breda office serves West Brabant
5. Thera Helliesen, business coach of B&A Group, based at the centre for small businesses Heuvel 100
6. Hawa Akdag, owner of a packing company in Heuvel 100
7. Farid Darkaoui, square manager at Zakenexpert BV, based on Edisonplein (by telephone)
8. A representative of Rabobank Breda (by telephone – he doesn't want his name in the report), and I received information by e-mail of the national office of Rabobank on ethnic entrepreneurship in the Brabant region.
9. Ekrem Yilmaz and Idriss Sorgucu of the provincial Turkish entrepreneurs network BIAD (by telephone and e-mail)
10. Ahmet Taskan of the national Turkish entrepreneurs network HOGIAD (by telephone and e-mail)
11. Naziha Aakoek of the labour inspectorate.
12. Merden Yagmur from MKB Nederland, i.e. employers association for small and medium entrepreneurs (by telephone and e-mail)
13. Linde Gongrijp, labour union *FNV* director of *ZZP*, independent workers without staf
14. Murat Sekercan of labour union '*FNV Bondgenoten Detailhandel*', the branche organisation retail trade of trade union FNV '
15. Shop owners and staff of Foodstore Casablanca
16. Shop owners and staff of Telecasa
17. Shop owners and staff of Django Afro Shop
18. Shop owner and staff of Bakery Andalucia
19. Staff of service centre of the neighbourhood Werk aan de Wijk
20. Omar van Rheenen, independent fotographer (Surinamese)
21. Surendra Santoki, researcher on municipal policies related to ethnic entrepreneurs, IMES
22. Annemarie Bodaar, former researcher on ethnic entrepreneurs, IMES
23. Karima Koutit, researcher of the economics department, Free University on businesses of second generation Moroccans

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