

CLIP: Cities for Local Integration Policies

Module 4

Ethnic Entrepreneurship

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Foreword

This report is part of the Eurofound project «Cities for Local Integration Policy» (CLIP), which started in 2006. Turin is one of the 35 European cities that cooperate in exchanging information on their Integration Policies, to start with in the field of housing and in the future in other areas.

The project aims to collect and analyse innovative policies and implement them successfully at the local level. It supports the exchange of experience between cities and encourages a learning process within the city network, addressing the role of social partners, NGOs, companies and voluntary associations in supporting successful integration policies. It provides objective assessment of current practice and initiatives and discusses 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. CLIP also supports the further development of a European integration policy by communicating the 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 also means cooperation between cities and research institutes. Six research institutes in Bamberg, Amsterdam, Vienna, Turin, Wroclaw and Swansea are in charge of CLIP publications. The researchers of FIERI are responsible for this report on Turin.

I would like to thank all the interviewees and the participants I met during the field visit. I am particularly grateful to Ilda Curti, Counsellor for Integration Affairs, and Marisa Cortese, a member of her staff, for their support in collecting materials and information. The author is completely responsible for the content of this report and for any mistakes it may contain.

1. Introduction

This module of CLIP deals with ethnic entrepreneurship. It 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.

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 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 a) the spatial distribution, b) the distribution over the various sectors of the urban

economy, and c) 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 labor 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?

After a brief overview of characteristics of the migrant population settled in Turin, the report will focus on the topic of this study, analyzing the ethnic entrepreneurship phenomenon in Turin.

The following chapter, will deal with the characteristics of Turin urban economy in general, focussing on which openings have emerged in the last two decades and how has the political economy evolved.

Another chapter will be focused more on profiles of ethnic entrepreneurship in Turin. We will describe the development, in quantitative terms, of ethnic entrepreneurship, showing also some statistics about business closures and so on. Some words will be spent about problems and barriers that ethnic entrepreneurs encountered in Turin, with regard to financial situation, general management, marketing, rules and regulations and bureaucracy.

The third chapter, which constitutes the bulk of the study, concerns the Municipality's approach and policies towards ethnic entrepreneurship. Some words will be spent about main actors involved for (ethnic) entrepreneurship policies and institutions framework. Some relevant policies and best practices examples will be also analyzed.

Finally, the concluding part of the study will provide some conclusions for this case-study.

This study started with a review of the existing literature and database consultation. Nevertheless, the research consisted of two main stages: information collection through the so-called Common Reporting Scheme (CRS), and a field visit to Turin carried out by the author with the support of the Municipality. The CRS, which is the same for all the Cities involved in the CLIP project, includes information on policy objectives, programmes and activities of the city, characteristics of ethnic entrepreneurs. As far as the field visit was concerned, key figures in the Turin Municipality and government bodies - with specific tasks in the (ethnic) entrepreneurship issue - were interviewed, key figures in the Chamber of Commerce, Business Associations, Ethnic associations. During the field visit, documents produced by various bodies (e.g. the

Municipality, government bodies, associations, private foundations) were collected, in order to provide more precise information on their aims, activities and results.

2. Background information on the city

2.1. Brief description of the city

Turin is located in the North-West of Italy, in the *Piemonte* region. The municipality has 909,345 inhabitants distributed across ten neighbourhoods with varying population densities¹. It is Italy's fourth largest city (Istat, 2008), and its history is closely connected with internal migration flows and the economic development of the 1960s, due principally to the automotive sector, led by Fiat.

From being mainly an industrial city and district, Turin turned also in an important cultural and touristic destination in the last decade. After 2006 Winter Olympic Games, that were held in Turin, the city has changed a lot. Most of historical buildings were restored and important infrastructure were built. Also the urban economy was affected from this change and a lot of new business were established.

Turin is also characterised by a sizable and heterogeneous immigrant population, which is changing the landscape of the city. Urban regeneration processes, migration flows, and transformation due to the increase of the ethnic economy, as well as the shift from the automobile-oriented economy to a knowledge-based and ICT economy are examples of converging processes that affect the urban social fabric in profound ways. They add new dimensions to the already existing economic, social and cultural diversity.

2.2 The city's migrant population and its characteristics/main groups

Turin has increasingly experienced four various migration waves with differing thrusts and motivations. The first wave started in the early 1970s and included students, mainly from the Middle East, Senegal and Nigeria, and political refugees and opposition members from South America (Chile and Argentina), Eritrea and Somalia. The second wave, also in the 1970s, was composed mainly of domestic workers: initially Somali and Eritrean women, then Filipino and Cape Verdean nationals. The third wave occurred in the period between the mid-1980s and the mid-1990s: Turin witnessed a surge in the number of Moroccans and other Africans, Asians (Chinese and Filipinos) and Latin Americans (Peruvians). The last wave concerned Eastern Europe: Albanians first, then Romanians and others (Davico, Pastore, Ronca, 1998; Ricucci, 2005). Some of the main characteristics of the current immigrant population are as follows:

- High rate of families with plans to remain.
- High rate of pupils from migratory backgrounds attending school.

¹ Data as of 31 December 2008, Statistics Office of the Turin Municipality.

- Increasing participation in the labour market, both as employers and employees (Allasino, 2008).

According to the data of the Statistics Office of the Municipality of Turin, by the end of 2009 there were 122.501 foreign residents, equal to 13.4% of the entire resident population. The main nationalities are Romanian, Moroccan, Peruvian, Albanian, Chinese, and Egyptian.

Table 1 - Main nationalities of foreign documented citizens in Turin (December 2009).

Country of origin	Number of foreigners	% on the total of foreign residents
Romania	50.434	41,1
Morocco	18.747	15,3
Peru	8.109	6,6
Albania	5.543	4,5
China	4.852	3,9
Egypt	3.613	2,9
Other countries (UE and extra UE)	31.203	25,4%
Total	122.501	≈100,0%

Source: elaboration on data of the Statistics Office of the Municipality of Turin.

In the last five years immigrants resident population in Turin increased by 76,5%, from a total of 69.361 in 2004 up to 122.501 in 2009. With regard to nationalities, Rumanian population increased by 31.013 units in the last five years, Moroccan by 5.501 units, Peruvian by 3.088 units, Albanian by 1.525 units, Chinese by 1.701 units and Egyptian by 1522 units.

Nowadays, immigration from Eastern European countries is the most dynamic. This is in part due to the most recent example of moonlighting as a result of the so-called “Bossi-Fini legalisation”, which allowed a large number of people who had entered the country illegally to regularize their status (Rava, 2007).

Every year, it becomes clearer that foreigners’ presence in Turin, as in the rest of the region and in Italy, is more and more a structural phenomenon. The labour market, household life, the structure of services and schools, the organisation of cultural and religious spaces and requests for political participation represent some of the areas of society characterised (and sometimes modified in their organisation) by work, activities, and everyday actions of immigrants well-adapted to the socio-economic fabric of the city (Ricucci, 2008).

At the same time, family reunification has balanced the gender dimension, although there are ethnic communities strongly characterised by gender: among Peruvians and Filipinos, women make up the majority, while Senegalese immigrants are mainly men.

If we analyse the age structure of the immigrant population, it is composed essentially of young people. Municipality of Turin’s data report that 21,5% of immigrants population is aged under 18 (26.432). According to the head of the Municipality of Turin’s Office of Statistics: “We notice a preponderance of immigrants in Turin around 30 years old (30.7% of the total of foreign people in 2007, and up to 31.5% compared with 2005) whereas the other age ranges have changed little as proportion of the total (i.e. children

from 0-9, 13.6% of the total of foreign people in 2005, 14.2% in 2006; 9.1% of adolescents in 2005, 9.5% in 2006, 5.6% of 50-year-old people in 2005, 6.2% in 2006)” (Rava 2007, 81).

Migrants’ insertion in the labour market is not equally distributed in the various economic sectors. The distribution of the 30,378 regularly-employed workers in the Province of Turin² is as follows: 2.8% in agriculture (almost nine out of ten with short-term contracts), 13.6% in industry, 25.6% in the building sector, 5.7% in commerce and 51% in services (enterprise cleaning services, hotels and restaurants, private institutional health care workers for elderly and disabled people, and personal and domestic services, including home cleaning and child care). The highest concentration of immigrant workers is found in domestic labour, where over half of employees (an estimate, according to data from Inail, the Italian Workers’ Compensation Authority) are immigrants (Di Monaco, 2008). There is also an increasing number of self-employed persons. We will focus more on this issue, which constitutes the bulk of the study, in the next chapter. The issue of ethnic associations is not easy to write about in the Turin context. Even if numerous ethnic and inter-ethnic associations have been formed over the years, little is known about their history, evolution and characteristics. Various attempts have been made to file and record them but have yielded only a partial picture of a situation in a continuous state of flux (Ires Piemonte, 1998; Cicsene, 2001). However the Integration Affairs Office of Municipality of Turin is working to build a complete and useful data-base of all ethnic association in Turin.

Although ethnic associations are an important point of reference for immigrants, they are having trouble breaking through, not only because they lack their own exclusively dedicated human resources. They are often managed by individuals who may not understand what it means to head up an association in Italy, which public bodies to turn to, and how to acquire information and funding. Foreign associations are key elements in welcoming immigrants and promoting their integration.

Relations between groups have been generally weak, and each group has been looking for a specific relationship with the city. In recent years, there has been a wide consensus on the high quality of collaboration and networking among ethnic associations in the Turin area.

Associations are certainly a point of reference for many immigrants, especially in the initial phase, when language difficulties and suspicion of services different from their country of origin may encourage immigrants to go where they can find people from the same country (e.g. parishes, mosques, informal meeting places, associations). Over the years, Turin has seen a change in the role of ethnic associations: they are now less concentrated on initial needs on immigrants when they arrive, and more on social and cultural promotion of the community, especially its youngest members.

3. The urban economy in general

² The only data available refer to the Province.

3.1 Historical development of urban economy: main industries and services

Turin is Italy's fourth largest city and its history is closely connected with internal migration flows and the economic development of the 1960s, due principally to the automotive sector, led by Fiat.

For over 40 years, Turin has been a "mono-industrial" economy: economic crises and the consequent social problems characterised the late 1970s and the 1980s (Withford and Enrietti, 2005). Like in other automotive regions in Europe, the local economy has been facing a severe crisis in the sector since the 1990s, and for this reason several measures have been put in place both at regional and local level to facilitate the diversification of existing companies and to strengthen the capabilities of the territory and increase its competitiveness (Comitato Giorgio Rota, Circolo L'Eau Vive, 2004). The 1990s represented a turning point for Turin: a difficult transition from the Fiat system to a diversified economic structure not only favoured the development of new activities, but also contributed to investing in the promotion of the city's cultural and historical background: the Egyptian Museum, which is second only to that of Cairo, the National Museum of Cinema, together with its "Torino Film Festival". Along the same lines, the 2006 Winter Olympic Games represented a strategic opportunity to invest in infrastructure and to improve the diversification of the economy by promoting international cultural events and developing the tourist sector (Torino Internazionale, 2006).

Today, Turin is undergoing a full-scale transformation, now that Fiat has entered the realm of new technologies and the city has become a centre of international importance in the ICT sector (Comitato Giorgio Rota, Circolo L'Eau Vive, 2008).

In the last thirty years, the economy of the Turin area has developed along the same lines as national and global trends, characterised primarily by growth in the service sector and the decline of industry and agriculture. Saleable services have grown faster in Turin than the national average³. In the early 'eighties, Italy's economic situation was subject to the destabilising effects of the oil crisis of the 'seventies and rising inflation driven by public spending. The monetary restrictions of the day, partly due to Italy's participation in the European Monetary System (EMS), affected many jobs in industry and in smaller enterprises. The crisis of industry in Turin lasted until at least 1985. The city's economic growth at that time was due solely to the contribution made by the service sector.

In the next decade services grew even faster in the Turin area. By 1981 services accounted for 51.2% of total added value, and by 1991 the percentage had risen to 61.6%⁴. At the national level, the percentage of the economy represented by services grew from 58% in 1981 to 65.5% in 1991.

³ Torino negli ultimi cinquant'anni (Turin in the last fifty years), Chamber of Commerce of Turin, 2004, p.38.

⁴ Ibidem, p. 47.

Between 1991 and 2001 economic growth in the Turin area slowed gradually due to the negative trend in industry, which produced 2.3% less than in the previous decade, while services continued to grow: added value generated by the service sector in the Turin area grew 27.1% as compared to 23.8% in Italy as a whole. In 2001 services represented 67.6% of total added value in the Province of Turin.

In the 'nineties Turin's contribution to the national wealth stayed about the same as in the previous decade, representing 4.7% of Italy's total added value.

Looking at the structure of production and the various sectors of business, manufacturing industry shrank considerably between 1971 and 1996. Expressing the trend in the sector in terms of number of employees, it has been calculated that 41% of manufacturing employees lost their jobs between 1971 and 1996. The decline in employment in the manufacturing sector, which was accentuated in the 'eighties and 'nineties, is one of the key characteristics of the urban economy in the Turin area in recent decades. Most of the drop in employment in manufacturing has been compensated by an increase in the number of employees in companies providing services for business, to which many services have been outsourced over the years. This number grew in the Turin area from 20 thousand in 1981 to 48 thousand in 1991 (+135.2%). Starting in the 'eighties and continuing even more in the 'nineties, Turin's businesses were involved in an important process of restructuring of production and organisation. In those years companies began to outsource functions not directly involved in production which were previously performed in-house, contracting them out to specialised service providers.

The size of businesses in Turin has shrunk over the years as the city's economic structure has evolved. In terms of the number of employees, for example, the average business in Turin has shrunk from 9.7 employees in 1971 to 5.4 employees in 1996. This shrinkage, which continued over the next decade, affected practically all sectors of the economy except commerce and public services, hotels and restaurants.

And so small enterprise has grown at the expense of larger businesses and industry, especially in recent decades. This trend is in line with national and global dynamics.

And so while Turin's urban economy was strongly tied to FIAT in the 'eighties, enterprises are now increasingly "unbound" from the presence of the famous automobile industry and the rate of internationalisation has certainly grown. The last decade has been characterised by growth in personal and business services, and these sectors now represent a significant portion of the city's economic activities. Construction firms have grown significantly since the 'nineties, thanks in part to the contribution made by foreign citizens (particularly Romanians and Albanians) and to fragmentation of the industries present in the sector in the past: many former employees have in fact decided to set up their own businesses in the sector.

Turin's urban economy since the year two thousand has been characterised by a short period of growth between 2005 and 2007 followed by shrinkage due to the international financial crisis which began in the fall of 2008. The effect of the crisis has been shrinkage in all sectors of manufacturing industry. The

transportation sector has been one of the sectors that has suffered the most world-wide and in the Turin area, as it is strongly linked with the automotive industry's manufacturing nature and is suffering from the recession even more than other sectors of production.

But enterprise has revealed sustained growth in the construction sector, followed by personal and business services. The sectors hardest hit by the drop in production and consumption have been manufacturing industry, commerce and, to a lesser extent, tourism.

In response to the economic crisis, therefore, Turin's urban economy has demonstrated a certain degree of dynamism and an ability to renew its vocation in enterprise, despite a slight drop in growth of new enterprises since 2008.

3.2 Size and characteristics of the workforce

Unfortunately no data about the exact number of migrants working in the city are available. However, the most recent figures available on the workforce in the Province of Turin state that it includes more than one million people. Of the 1,030,000 individuals aged 15 to 64 who are employed or in search of employment, 571,000 are male (55.4%) and 460,000 are female (44.6%). The province of Turin represents more than half of the workforce of the Region of Piedmont and 4.1% of Italy's total workforce Italy (25,097,000 individuals)⁵. Between 2006 and 2007 the workforce in the Province of Turin grew 1.4%, while growth between 2007 and 2008 was greater, 2.6%. In 2008, 68.6% of the population aged 15 to 64 was in work. If we divide the figures by gender, a large gap emerges between men in the workforce (75.8%) and women in the workforce (61.4%).

If we analyse the rate of employment by age class, we will see that Turin has the Region's lowest rate of employment for the 15 to 24 age range (30.5%), compared to an average of 35.4% for the Region of Piedmont⁶. The employment rate for people over 55 is also lower than the regional average: 12.7% compared to 13.2%.

The employment rate in the Province of Turin has grown slightly despite the economic crisis, from 63.8% (2006) to 64.0% (2007) and 64.7% (2008). This growth is more accentuated than in the Region of Piedmont as a whole, which registered an increase in the employment rate from 64.8% to 65.2% in the same three years. The difference is due primarily to the increase in employment of women in the Province of Turin. The

⁵ ISTAT source, www.piemonteincifre.it

⁶ 2007 figures. *Torino Economia, rapporto sulla Provincia di Torino 2008* (Turin's Economy: A report on the Province of Turin in 2008), Chamber of Commerce of Turin.

city's Chamber of Commerce stated, in a 2007 report on the economy, that the Province of Turin ranked 54th (out of more than 100) in a hypothetical ranking of Italian provinces by employment rate⁷.

Analysis of the structure of employment by position and sector confirms what had already emerged in recent years: services now employ more than half of the province's working population, maintaining a positive trend. In 2008 1.6% was employed in agriculture, 32.3% in industry and 66.15% in services. There was a 5.9% drop in employment in industry in 2007 and 2008, counterbalanced by 5.0% growth in the service sector in the same years⁸, reflecting the continuing trend of replacement of industry with services.

In 2008, 77.3% of workers were employees, while 22.7% were independent. This figure reveals a slight drop in the number of self-employed workers since the previous year, for in 2007, 76.1% of workers were employees, and 23.8% were independent workers. More than half of independent workers are self-employed, but this component is decreasing, as is the number of entrepreneurs; the number of consultants, self-employed professionals and cooperative members is on the rise.

3.3 Development of small and medium sized businesses (SMEs)

Since the 'eighties and 'nineties enterprises in Turin have been involved in an important process of restructuring of production and organisation. At that time enterprises began outsourcing to specialised service providers a number of functions not directly involved in production which were previously performed in-house. As we have already noted, enterprises have decreased in size as Turin's economic structure has evolved. The average number of employees in a company in the Turin area dropped from 9.7 in 1971 to 5.4 in 1996. This decrease, which continued in the next decade, has taken place in practically all sectors of the economy except commerce and public services, hotels and restaurants.

Small and medium sized businesses have therefore grown, especially in the past two decades, at the expense of larger enterprises and industry. In recent years in particular, small to medium sized enterprises in the Turin area have grown and become structured. Immigrants and women now play an essential role in these enterprises. Since 1990 the sectors of production in which Piedmont excels, both traditionally and in more innovative fields, have revealed considerable vigour. The contribution made by immigration, a phenomenon which began in the 'nineties and took consistent form in the next decade, has also led to the emergence of a structural component of foreign entrepreneurs, which we will discuss in greater depth in the next chapter.

⁷ *Torino Economia, rapporto sulla Provincia di Torino 2008* (Turin's Economy: A report on the Province of Turin in 2008), Chamber of Commerce of Turin, p.145.

⁸ ISTAT source, www.piemonteincifre.it

Between 2000 and 2007, according to a study conducted by the Chamber of Commerce of Turin, the number of new enterprises registered in the area increased by 10% (more than 21,000 additional units) and 38% of these worked in the fields of business and personal services⁹.

Table 2 – Changes in the stock of enterprises registered in the Province of Turin (2000-2007)

Sectors of activity	Var% 2000-2007	Weight % of total 2007	Weight % of total 2000
Agriculture and fishing	-8.0	6.2	7.5
Industry	0.7	11.9	13.0
Construction	4.9	15.3	12.1
Commerce	0.7	26.6	27.1
Hotels and restaurants	3.7	4.8	4.1
Business services, including:	1.6	23.7	22.9
<i>Transportation-storage-communication</i>	<i>-0.5</i>	3.9	3.9
<i>Financial and monetary intermediation</i>	<i>1.3</i>	2.4	2.5
<i>Real estate, information systems, research</i>	<i>2.1</i>	17.4	16.6
Health, education, other social services	1.5	5.0	4.8
Unclassified	-3.2	6.6	8.6
Total	1.2	100.0	100.0

One of the most important changes on the scene of small to medium sized businesses in Turin is definitely growth in the construction sector. The increase in the number of construction firms registered with the Chamber of Commerce began in the 'nineties. Let us look at a few statistics: between 1990 and 1999 there were 9,216 construction firms registered, while in the next decade, between 2000 and 2007, the number rose to 20,419¹⁰. This boom in the construction industry is, according to the Chamber of Commerce, primarily due to two factors: employees who have left their companies to set up their own businesses and an increase

⁹ *Torino Economia, rapporto sulla Provincia di -Torino 2008* (Turin's Economy: A report on the Province of Turin in 2008), Chamber of Commerce of Turin, p.13.

¹⁰ *Ibidem*, Chamber of Commerce of Turin, p. 15.

in the number of immigrants (Albanians above all, followed by Romanians) working in the construction industry¹¹.

3.4 Sectoral distribution of SMEs

Most sole proprietorships in the Province of Turin specialise in commerce (33.4%) and construction (21.7%). Sole proprietorships represent more than 50% of Piedmont's businesses, and the figure has remained substantially the same in the year of crisis (+0.2% between 2008 and 2009): their growth was supported by foreign entrepreneurs in the past, but 2009 saw a slowdown in growth of foreign owners of sole proprietorships (from +10.6% to +7.8%), while the number of Italian proprietors dropped by -0.8%¹².

Distribution of enterprises in the Turin area by sector may be viewed as dynamic, particularly in relation to the changes in the year 2009. Information on distribution among sectors in previous decades was given in the previous section. This perspective is particularly useful for understanding the particular economic trend at the moment, allowing us to assess the effects of the economic crisis on each sector of business. The figures we will present are part of a wider-ranging study conducted by the Studies and Surveys Office of the Chamber of Commerce of Turin¹³.

The year 2009 saw considerable growth in commerce, both wholesale (+1%) and retail (+0.8%), primarily driven by the leading sectors of street markets and electronics. But local neighbourhood commerce, including many businesses run by immigrants, suffered an overall drop in 2009: -1% for bakeries, -1.3% for butchers, -0.8% for greengrocers. Other types of retail outlets traditionally operated by immigrants have also seen a drop. Clothing and textiles fell by 1.6% in 2009, home furnishings by 2.2%, counterbalanced by an increase in second-hand trade (+5.6%) and street markets (+6.7%).

The sector of business services, which is on the whole stable, saw significant drops in the areas of rental (-5.2%) and transportation (-2.7%). This sector also includes an activity which has seen strong growth in recent years: financial intermediation and consumer credit, which fell by 0.7% in 2009. The real estate sector is also holding its ground despite the crisis (+0.3%) and now accounts for about 36% of services.

The vast sector referred to as personal services has grown significantly since 2009, thanks in part to the contribution of foreign-owned enterprises. More than 60% of the enterprises operating in this sector are considered consumer services (including hairdressers, beauty treatments and physical fitness centres), which have grown by 2%.

¹¹ Interview personally conducted with Barbara Barazza, Studies and Surveys Office, Chamber of Commerce of Turin.

¹² Source: Chamber of Commerce of Turin.

¹³ The results of this study were presented in a conference entitled "birth and death of enterprises in Turin in 2009" held on the premises of the Chamber of Commerce of Turin on March 23, 2010. An extract is available at <http://m.cameradicommercio.it>, in the Themes section.

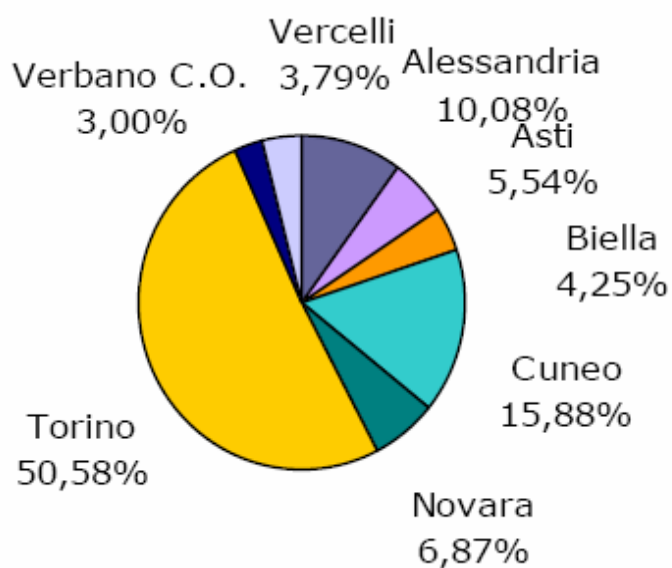
The two most dynamic sectors in small to medium sized businesses in Turin have been tourism and construction for some years now. In 2009 these sectors grew by +2.2% and +1.2% respectively. Immigrants have made a significant contribution in these two sectors as elsewhere. The tourism sector includes activities such as restaurants and bars (+5% and +1% in 2009) characterised by high turnover. In the area of hospitality services, hotels are growing (+1.4%), while more economical structures are decreasing in popularity (-3.4% for hostels, campgrounds and holiday rentals). Growth continued in the construction sector in 2009 though at rates much lower than those registered in past years (+1.2%). Finally, artisans and tradespeople, who represented about 29% of all enterprises in Piedmont in 2009, remained essentially stable with respect to 2008 (-0.1%).

If we look at the sectors in which artisans and tradespeople work, construction is in first place, representing 43.6% of all enterprises of this kind in the Turin area; it is followed by industry (24.7%) and business services (13.9%). 80% of all artisanal and trades enterprises registered in the Province of Turin are sole proprietorships.

3.5 Spatial distribution of SMEs

About half of all enterprises registered in Piedmont are based in the Province of Turin, followed by the Provinces of Cuneo and Alessandria. Unfortunately, no data of SME's distribution in the only city are available. We only can consider the Provincial level of analysis because data published by Chamber of Commerce consider this geographic level. Figure 1 shows the breakdown of enterprises registered in Piedmont by Province.

Figure 1 – Enterprises registered by Province, as of 31.12.2009



The Turin area is broken down into nine sub-provincial areas, as defined on the basis of the “Territorial Provincial Pacts”, to which we may add the provincial capital¹⁴: Po-Settimo Torinese, Susa, Sangone, Stura-Ciriè, Pinerolo, Zona Ovest-Collegno, Torino Sud-Moncalieri, Canavese-Ivrea and the city of Turin.

Figure 2 – The 9 sub-provincial divisions of the Province of Turin



Source: Rete di Parità nello Sviluppo Locale (Network for Fair Local Development), www.retediparita.it

The regional capital plays a significant role in the geographic distribution of enterprises in the Province of Turin. 48.5% of all enterprises are based in the city of Turin, about 11% in Canavese-Ivrea, 10.6% in Turin South-Moncalieri, 7.6% in the West/Collegno¹⁵. The Pinerolo area, traditionally one of the most stable areas, is home to just under 7% of the province’s enterprises, followed by the Stura-Ciriè area and then all the others.

3.6 Recent changes

Since 2000 the economic fabric of the Province of Turin has increasingly taken on a multifaceted, multi-purpose form. The changes have affected not only construction – though we must acknowledge that this

¹⁴ This subdivision is the one normally adopted by the Studies and Surveys Office of the Chamber of Commerce of Turin, the recent work of which this section refers to.

¹⁵ Source: *Torino Economia, rapporto sulla provincia di Torino 2008* (Turin’s Economy: A report on the Province of Turin in 2008) Chamber of Commerce of Turin, p. 18.

sector still retains the greatest vitality (+45.1% since 2000) – but what is collectively referred to as “services”, from traditional to “advanced”.

In the last three years (2007-2009), growth in small to medium businesses has, like other sectors, seen a slowdown due to the increasingly severe economic and financial crisis, even though the number of businesses registered in the Province of Turin has continued to grow significantly. This reveals a certain degree of dynamism in the area, and an ability to face the difficulties imposed by a particularly negative economic trend. Towards the end of 2008 the construction sector continued to grow while the commerce and tourism sectors suffered a setback.

In 2009, according to InfoCamere figures, 31,109 new companies were established and 30,465 went out of business in the region of Piedmont. The balance is therefore slightly positive (+0.14%), below the balance registered in 2008 (+0.44%) and in 2007 (+0.69%)¹⁶. This figure brings the total number of companies registered in Piedmont's chambers of commerce up to 468,406¹⁷. The smallest enterprises (many of which have a single proprietor and only one or two employees) are those which have suffered the most from the effects of the crisis. In the territory of the Province of Turin, the growth rate for enterprises dropped from +0.92% in 2008 to +0.60% in 2009, and was therefore higher than both the national rate (+0.28%) and the average for Piedmont (+0.14%). At the end of 2009 almost 237,000 enterprises were registered in the Province. This stability may be explained by the slight drop in closures (15,473, -2.2%) in view of a drop in registration of new businesses (16,898), which, though less than last year's percentage (-6.1% compared to -7.8%), is still a signal of a declining propensity for going into business¹⁸.

4. Profiles of ethnic entrepreneurship

4.1 Definition and development of ethnic entrepreneurship

Since very few years ethnic entrepreneurship has been defined as a structural component of Turin area entrepreneurship. It means that ethnic entrepreneurship is no longer considered as a new phenomena but as a structural part of the urban economy in the city and its surroundings.

In Italy data on ethnic entrepreneurship are collected by the Archive of the Union of the Chambers of Commerce *Infocamere*, referring usually to firms which are registered by persons born abroad (Caritas 2009, 285). Since there is no reference to citizenship, data include Italians born abroad (for instance in the ex-colonies of Somalia or Lybia) or descendents of Italian emigrants (born in Argentina or Brazil) who have re-acquired the Italian citizenship, as well as naturalised immigrants born abroad both of first and second

¹⁶ For comparative purposes, the national growth rate for the year 2009 was +0.28%. The growth rate for northwest Italy in 2009 was +0.5%. Source: InfoCamere.

¹⁷ Source: Infocamere (figure updated as of 31/12/2009).

¹⁸ Fonte: Chamber of Commerce of Turin

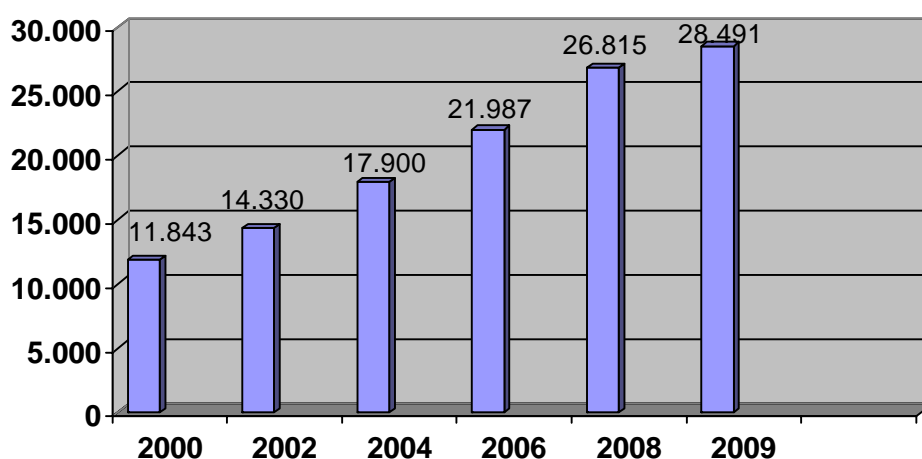
generation. However, *Infocamere* excludes foreign citizens who were born in Italy. As a consequence, the terms “immigrant entrepreneurship” would be more suited, since the kind of firms actually considered by official data are those established by people who were born abroad and moved to Italy, even if Italian citizens. Since 2003, the National Confederation of Craftsmanship (CNA – Confederazione Nazionale dell’Artigianato), together with Caritas/Migrantes, have been polishing the *Infocamere* data: only those immigrant entrepreneurs who were born abroad and have kept their foreign citizenship are now considered in the official statistics, thus eliminating Italian citizens born abroad and naturalised foreigners.

Official data of the Chamber of Commerce of the province of Turin actually count as immigrant entrepreneurs only some entrepreneurs who were born abroad. Infact, to avoid to consider also italian people born abroad, entrepreneurs born in European Union, as well as entrepreneurs born in more in industrialized countries like US, Switexerland, Canada, Norway and Australia, are assimilitaed to national entrepreneurs. For the same reason, also entrepreneurs born in Argentina, Brazil and Venezuela (three of the countries in the world more interested by historical italian migrations) are considered like “national entrepreneurs” (Fieri and Chamber of Commerce, 2009).

One relevant aspect is the positive contribute that ethnic entrepreneurship gives to the balance between new enterprises inscriptions and cancellations. In other words, if this balance could be positive in the last years, it was only thanks to non-nationals who decided to start-up their businesses. Infact, in some sectors, the number of italian entrepreneurs is getting down.

At the end of 2009, 28.491 non-national entrepreneurs (both from EU or extra-EU) were registered in Turin Chamber of Commerce’s register. This data shows that ethnic entrepreneurs increased +6,3% respect the year before and increased +141% respect the beginning of this century¹⁹.

Figure 3 – Immigrant entrepreneurs in the Turin Province area, 2000-2009



Source: Camera di Commercio di Torino, March 2010.

¹⁹ Source: Chamber of Commerce of Turin.

The development of ethnic businesses in Turin area, as the graphic clearly shows, was continued. Only in the last two years it seems to be slow because of the economic crisis effects.

Comparing this trend with the Italian entrepreneurship development, it's possible to reflect on the differences in the two development rates. Between 1997 and 2005 both Italian and foreigner enterprises increased. But from 2005 the number of Italian owned enterprises in Turin started to decrease, arriving, in 2008, at the 2000 year rate.

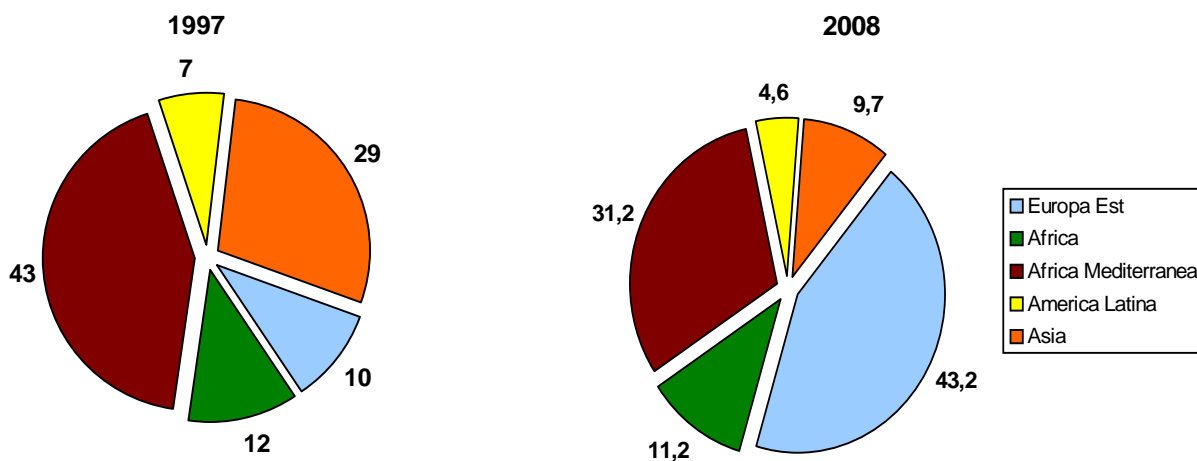
In the last year ethnic enterprises in Turin increased only +6,3% despite of the +12,5% increase from 2007 to 2008 and the +20,3% increase from 2007 to 2008. The entry of Rumania and Bulgaria in the European Union system, on 1st January 2007, influenced the 2008 rate. This event produced the growing of Rumanian enterprises in Italy and they became soon the largest group among ethnic entrepreneurs.

Rumanian in fact is the largest community among ethnic entrepreneurs in Turin, representing the 22% of all non-nationals entrepreneurs. It is followed by the Moroccan community (16,2%), the French (5,8%), the Chinese (5,4%), the Albanian (3,9%) and the German (3,6%).

Because of Rumania's entry in EU system, the weight of East-European countries among ethnic entrepreneurs increased +6% in the period 2007-2009, representing today 43% of total²⁰.

Figure 4 shows the changes of the origins of ethnic entrepreneurs in Turin, between 1997 and 2008.

Figure 4 – Ethnic Entrepreneurs (individual businesses) : geographic distribution for origin area. 1997 and 2008.



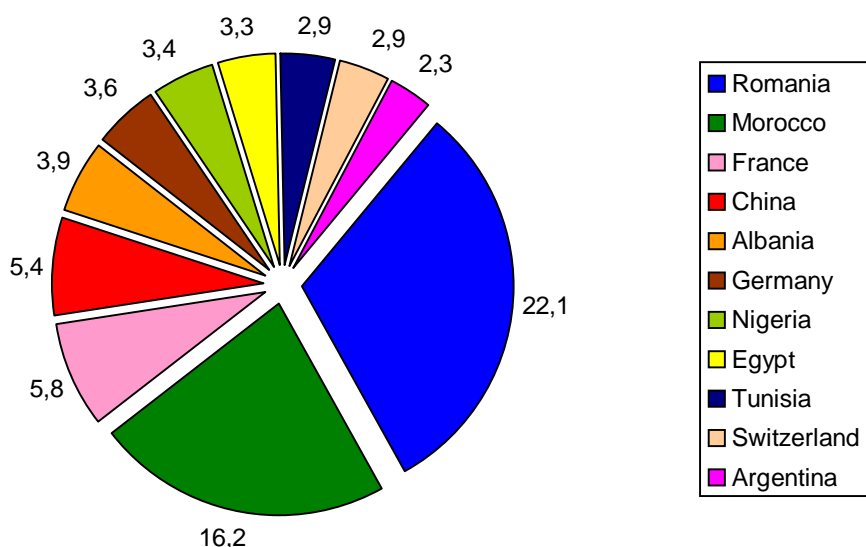
Source: Turin Chamber of Commerce.

²⁰ A.Coccimiglio, C. Villosio, *Una fotografia degli imprenditori stranieri in Provincia di Torino in I Viaggi del cibo, il cibo dei viaggi*, FIERI e Camera di Commercio di Torino, 2009, p. 33.

As the figure points out, ten years ago most of ethnic entrepreneurs were from North Africa (43%, mostly from Morocco, Egypt and Tunisia) and Asia (29%, mostly from China). Today East European countries are over-represented thanks to the Rumanian presence among the Moldovans and Albanians. African entrepreneurs are mostly from Senegal and Nigeria while the South Americans came generally from Peru and Ecuador.

Figure 5 shows the geographic distribution of ethnic entrepreneurs in Turin per nationality of origin.

Figure 5 – National origin of ethnic entrepreneurs (31.12.2009)



Source: Chamber of Commerce of Turin

4.2 Sectoral and spatial distribution of ethnic enterprises

The sectoral distribution of ethnic enterprises in Turin shows a strong presence of commerce and construction sectors. The first one represents 28,6% of ethnic businesses while the second one represents 27,9%. Therefore, both sectors together represents the majority of ethnic enterprises. The business services represents the 15,7% followed by the industry (10,3%) tourism (6,1%) and people services (3,8%)²¹.

Crossing nationalities informations with business sectors, some ethnic specializations can be noted. The 71,7% of rumanians entrepreneurs is specialized in constructions while africans are more involved in commerce activities, especially in neighborhood enterprises (food, butcheries, bakeries

²¹ Source: Chamber of Commerce of Turin, 2009.

and pastries, green grocers, for example). Among african entrepreneurs the 59,4% of moroccans are in the commerce sector, like the 67% of nigerians and the 85,9% of senegalese.

However, in the last two years, some of the largest groups are showing a strongest spread in many sectors. Rumanians, for exampale, increased from 2008 to 2009 in the touristic sector (+28,3%), in the commerce (+22,7%) and in people services (+18,3%). At the same time, in 2009 there were more moroccans entrepreneurs among people services sector (+42,9%), in commerce (+10%) and in construction (+8,4%).

As already stated in chapter 3, entrepreneurship in Piamonte Region is basically locate in Turin Province. Also ethnic businesses are quite “Turin-centric” and, actually, the number of ethnic enterprises located in Turin is higher than the number of italian-leaded enterprises. In fact, 71% of ethnic businesses is located in Turin city against 29% of italian businesses²².

However, in the last decade, also ethnic entrepreneurship moved more to the surroundings in Turin Province. In 2000 only 25% of ethnic enterprises were located in the province, in 2008 the percentage was 29,4%. It means a quite slow process that involved especially construction (from 34% in 2000 to 39% in 2008) and manufacturing (from 27% to 36%) sectors.

Location datas are interesting also if comparing italian and non-national sistuation. The italian commerce sector for example is located more in the province that in the city: in 2000 54,4% of italian enterprises in commerce sector were based in the province, against the 45,6% loated in the city. In 2008, italian commerce sector moved more to the province (57% against 43% located in the city). For ethnic entrepreneurs the situation is opposite. In 2000 81% of non-national commerce enterprises were located in Turin city while only 19% in Province. In 2008 the number of ethnic commerce activities grow up in the city reaching 81,6% against 18,4 located in the Province²³.

Ethnic entrepreneurship in commerce sector has a strong urban character respect italian entrepreneurship, although in other sectors a slow movement towards the Province can be registered.

4.3 Ownership of ethnic businesses

²² Source: A.Coccimiglio, C. Villosio, *Una fotografia degli imprenditori stranieri in Provincia di Torino in I Viaggi del cibo, il cibo dei viaggi*, FIERI e Camera di Commercio di Torino, 2009, p. 52.

²³ Source: ibidem, p.52.

No many datas are available on the businesses ownership because no public offices, in the Local Administration have the task to register or to collect them.

However we can refer to some interviews we carried out during the field visit. In fact, some ethnic entrepreneurs were interviewed to collect informations about a great number of issues we are going to talk about in this chapter.

A little sample of ethnic entrepreneurs was considered (because of reseach guide lines) so that it's not possible considering our reflections as a very general way although people interviewed could help us to give a general idea of the issues. In addition we can consider also a research carried out by FIERI (International and European Forum for Immigration Reseraches) and Chamber of Commerce of Turin in 2009, published in a volume titled *I viaggi del cibo, il cibo dei viaggi* (Food travel and travel food). The research aimed at study the food sector of ethnic entrepreneurship in Turin, considering three groups as case stady: chinese, egyptians and moroccans entrepreneurs. The qualitative part of this research included a number of in-depth interviews with a sample for each nationality. Some of the informations collected in that research could be really useful for the present study.

About the ownership of ethnic businesses it seems that most part of them are individual businesses. Especially in the commerce sector the majority of ethnic entrepreneurs decides to set-up their own business without any partnership. However, during the field-visit, we had the opportunity to interview some entrepreneurs. Among the egyptian owners of restaurant and Kebab, like among chinese owners of restaurants a substantial number of partnerships can be observed. In the same way also some romanian businesses in the construction sector are non individuals businesses. The partnerships observed generally involve co-ethnics although we found a kebab restaurant owned by a Moroccan and an Egyptian guy. The relationships between the two or more owners are often family relationship: two brothers or father and son, are generally the most common typology of partnership observed.

Finally, the number of franchise-businesses owned by ethnic entrepreneurs seems to be quite low. During the field-visit we observed only one franchise fast-food (it was a *piadina* fast-food, that is an italian typical street food similar to an arabic pita) owned buy a rumanian girl. May be the high money amount requested for the start-up it's perceived like an high barrier by the majority of ethnic entrepreneurs.

4.4 Reasons for entrepreneurship career

The literature considers many reasons that immigrants consider for starting-up their owns business.

It's possible, for example, identify almost six categories of reasons that individuals give for starting businesses. The first category, «innovation», involves reasons that describe an individual's intention to accomplish something new. The second category, «independence», described an individual's desire for freedom, control, and flexibility in the use of one's time. «Recognition» describes an individual's intention to have status, approval, and recognition from one's family, friends, and from those in the community while «roles» describes an individual's desire to follow family traditions or emulate the example of others. «Financial success» involves reasons that describe an individual's intention to earn more money and achieve financial security and finally «self-realization» describes reasons involved with pursuing self-directed goals (Carter and others, 2003).

Maurizio Ambrosini, Italian professor in Milan and expert of ethnic entrepreneurship, ordered in his studies the most relevant explicative hypothesis of ethnic business (Ambrosini, 2005). The oldest hypothesis emphasized cultural reasons. The psychological, religious, professional and cultural background of ethnic groups would explain why certain groups are more involved in businesses than others. Jewish diaspora would be the best example of such approach.

Another group of theories are defined from Ambrosini "Disadvantage Theories". They explain ethnic businesses starting from the hypothesis that self-employment would be the best answer to unemployment and financial problems. Otherwise, immigrants that lose job - or don't find any - would decide to start-up a business just to improve their social and economic conditions. A less pessimistic approach could be found in the theory that Ambrosini call "Mobility blocked Theory". According to this approach, immigrants would decide to become self-employed because they are not able to enter in the hierarchical system of labour market using their skills and qualifications.

Another important theory, more focused on structural and ecological aspects, is the "Ecological Series Theory": the hypothesis is that local and autochthonous entrepreneurship, no more able to start-up new businesses, decide to give more and more spaces to new and cheapest entrepreneurs.

The last theory we can consider here is the Portes theory on "Enclave Economy Theory (Portes e Wilson, 1980) focusing on the bigger and bigger phenomenon of skilled migrations and on the spatial and economic concentration of ethnic businesses. A typical element of this theory is that a strong part of the immigrants community is employed in ethnic businesses present in the area.

The Turin case study shows clearly that a mix of all these reasons can be observed among ethnic entrepreneurs. Sure there is a quite high number of immigrants employed in ethnic businesses although it seems not to be the rule.

4.5 Market and Competition

The market to which ethnic entrepreneurs generally caters depends from the sector we want consider. It's not possible to consider all the ethnic businesses in a reflection about customers and consumers of ethnic entrepreneurs products. If we consider, for example, the construction sector, it's clear that customers of a Rumanian or Albanese construction enterprise will be both Italians and non-nationals. Furthermore it can be argued that, in such a sector, Italian customers will be more just for a simple demographic reason. Generally speaking, most of ethnic enterprises in services sectors have a quite mix Italian and non-national market, although some differences could be observed among different ethnic groups.

For example, during the field-visit we observed a number of hair-dress owned by ethnic entrepreneurs in the very popular area of *Barriera di Milano* and *Porta Palazzo*, two of the city's areas with the highest concentration of immigrants. Some of them were Chinese and some others were owned by Moroccan guys. The Chinese hair-dress businesses have a more mix market than the Moroccans. First of all, Chinese hair-dresses offer a unisex service, for men and women, while in Moroccan hair-dress shop only men are accepted. Observing several times the two different enterprises we realized that a small number of Italian customers (men or women) went in the Chinese shop for a hair cut while no Italian customers were observed in the Moroccan business.

A similar reflection can be pointed out for food and restaurant sectors. Kebab and Chinese restaurant are, without any doubt, the most Italian-customer oriented, although, especially in kebab restaurants, non-national customers are a great number. They usually are not part of the same community but came from different countries like Morocco, Egypt, Turkey or Tunisia. Quite different is the case of Peruvian restaurants observed in the city of Turin: the main market of Latino-American restaurants is represented by co-ethnic customers from Peru or from Ecuador.

African food shops, owned by Nigerians or Senegalese for example, that sell food but also provide some services (phone, hair extensions, newspaper..) are quite strongly oriented to a co-ethnic market.

In the field visit we also observed some Rumanian entrepreneurs selling at the main *Porta Palazzo* market. Most of them are owners of a butchery point in the cover market and Italian customers are a strong number, because of the lowest prices of the meat. This case is interesting if compared with "halal" butcheries just around the cover market of *Porta Palazzo*. In that businesses it is quite hard to find Italian customers and the main market is represented by Islamic population (Moroccans above all). Just around the corner of *Porta Palazzo* Market there is another interesting example: a big bakery owned by a Moroccan guy who set-up the business ten years ago. The market and customers is completely mix Italian-immigrants and there are some foreigners employed from Rumania as well.

Generally speaking, the entrepreneurs that decide to offer their products to a main-stream market outperform their Italian competitors from the prices perspective. Most of services provided or food offered can be bought at a lower price than in an autochthonous business. No many businesses – especially in the commerce sector – have decided to focus a market strategy on the quality of products.

4.6 Workforce, employment conditions and labor relations.

It's not possible give any quantitative description on characteristics of workforce employed by ethnic entrepreneurship in terms of number, gender, age, nationality, educational qualification or migration status. No data are available on all this points. It's only possible to argue, based on our perception, that main differences of gender, for example, depend from national group. In moroccans shops, for example it's more common to see male employed although in many bakeries and pastries only moroccans women are employed. At the same time any gender differences in chinese activities employed can be observed although in many "thai-chinese massage center" employed are strictly female.

Nationality of employed people could be italian or non-national. It generally depend on the sector and the kind of enterprise observed.

It's quite hard also give a complete description about employemnt conditions and labor relations in ethnic enterprises. No datas are available and no many actors involved in the field visit could help us to describe this issue. Labor condition are quite different in all sectors and, sure, a big diffusion of undeclared work can be supposed. It can happens especially in small enterprises like shops, although public officers controls are occur quite often. Sometimes the problem can be generate in that family-enterprises where employed people are part of the owner family. Sisters, brothers and also sons and daughters (sometimes very young) could be employed with a undefined labor conditions. It happened, for example, in some chinese restaurants.

Another big problem on the issue is represented by the immigrant workers very low rate of unionization. Unfortunately, specific data on this point are not available.

4.7 Problems and barriers—financial management

Problems connected to financial management are, of course, the ones that generate more worry among ethnic entrepreneurs. In fact, speaking with most of them about problems and barriers in starting-up a business, access to finance and the availability of money is may be the biggest problem, in every sector and for all ethnic groups. This problem is common to all entrepreneurs, both italian or non-national.

The economic crisis have really made worse the situation for many of them. The rates of closures and bankruptcies increased in the last two years, as shown in the previous paragraphs.

Ethnic groups that may be suffered less such a situation are those with strong family and friends network, both in origin and residence country. Chinese, for example, usually don't acquire credit loans in commercial banks or among private channels (like Microfinance Agencies). They generally can benefit of personal and family loans and it means an easiest (but not always cheapest!) way to get money and to go over financial problems.

Some financial services, especially for chinese entrepreneurs community, are also provided by a private agency located in Turin's area of Barriera di Milano called "China Coop –entreprise services" that provide banking and financial support, among other services, for small and medium enterprises.

Some commercial Banks in Turin (Intesa SanPaolo, Unicredit) improved their policies for help immigrants, and of course ethnic entrepreneurship. They employed foreign origin people, speaking arab or spanish, in

two specific front-offices located in strategic area of the city, where the number of immigrants resident is high. However, that banks declared that the number of ethnic entrepreneurs demanding for credit loans is quite low. There is a common distrust among some ethnic groups in their possible relations with commercial banks and financial institution.

4.8 Problems and barriers—marketing

During the field-visit no many problems or barriers that ethnic entrepreneurs encounter with regard to their search for consumer were registered. On the issue, institutions and main actors we interviewed reported that ethnic entrepreneurship are suffering the same drop of consumers like all the other entrepreneurs. This drop is highest in the commerce sector and especially for neighborhood enterprises.

Of course, many of those businesses that address their offer to a specific ethnic market (like halal butchery or african food shops) are suffering more because of the narrow number of potential customers. However, other small enterprises in the food sector, like kebab, a couple of lebanese or egyptian restaurants or chinese restaurants declared to have a good mix italian-non nationals customers, and they didn't encounter any specific problems regard to the search of consumers. Ethnic food sector, of course, is one of the best going in a marketing perspective.

For example, many chinese restaurant located in Turin city center decided to change their general marketing strategies also offering some japanese food products. Today a huge number of chinese restaurn is also japanese restaurant, offering sushi food, for example, at a very competitive price respect of oldest and original japanese restaurant.

4.9 Problems and barriers—rules, regulations, bureaucracy and intermediary institutions.

Problems or barriers that ethnic entrepreneurs may encounter with regards to requirements, regulations and relations with bureaucratic institution are not so different from problems that a national entrepreneur may encounter. The only two different points could be related to the language comprehension and something we can call “bureaucratic culture” of the origin country. On this last point, we can argue that standards on environmental regulation, labour rights, health and safety regulations within the EU countries could be quite different from those in developing countries. In each of these areas Italy exhibits the same stringency as other European member States. If the ethnic entrepreneur comes from a region of the world in which some state regulation and enforcement of environmental regulation, labour rights, and health and safety standards are weak or non-existent, then there may be a temptation to ignore or sidestep the legal framework that governs doing business in Italy. Furthermore, depending on the country from which they originate, some ethnic entrepreneurs may exhibit any distrust towards bureaucracy of the State in general.

Of course, another strong barrier could be represented by the language. For many ethnic entrepreneurs, above all among those arrived recently in Italy, the comprehension of the bureaucratic italian language could be a big problem. This trouble, indeed, is encountered also by many italian national entrepreneurs. It's not

possible, anyway, specify these problems for different types of entrepreneurs because they may occur in different sectors and for different groups.

Unfamiliarity with the local and national legal-institutional framework for business activity is, of course, another barrier for many ethnic entrepreneurs. An evidence of such a problem was founded also during the field-visit, interviewing some ethnic entrepreneurs. Many of them related that they regularly sought help from business advice and consulting services operated often by their co-ethnics, particularly in the start-up phase. They could be friends or relatives or, more often, just people suggested from other co-ethnics that operate at the interface of the mainstream business environment and the ethnic community of which they are a part.

However, as widely showed in this report, different opportunities and projects aimed at helping ethnic entrepreneurs in starting-up their businesses manage to solve this kind of problem and barriers, although there is, of course, a lack of awareness among ethnic entrepreneurs in relation to the supports available to them in dealing with the more bureaucratic elements of managing a business.

5. Rules and regulations, policies

5.1 Overall strategy

Ethnic Entrepreneurship development plays a very important role in the overall strategy supporting integration of migrants at the local level. It represents a key issue for the City Administration although only a few specific policies are being promoted specifically for ethnic entrepreneurs. This means that the City Administration tends to consider ethnic entrepreneurship as being part of a more general entrepreneurship issue. The idea is not to underline any diversity or specificity of ethnic entrepreneurship considering migration as an ordinary phenomenon.

Therefore, the main strategy aims to strengthen the idea of a single group of entrepreneurship policies recipients, both natives or immigrants.

However state and non-state rules seem to have sufficiently shaped ethnic minorities' self-employment trajectories. In most cases becoming an entrepreneur is not a voluntary choice for immigrants but it is often a sort of a need due to Italian legislative framework. Many immigrants decide to start-up a small or medium business also to easily obtain a permit of stay renewal, because the very high labour market mobility – established basically in Law 14th February 2003, n.30, also known as “Biagi law” – doesn't allow to obtain all those requirements needed for a regular permit of stay, as established basically in Law 30th July 2002, n.189, also called “Bossi-Fini law”.

Furthermore, in order to apply for specific jobs a professional acknowledgement is often required, through a qualification conversion that is not always easy and fast. For that reason, although many immigrants residing in Italy have specific degrees, their jobs are often not suitable and their symbolic resources are often

underestimated. Most of them decide to apply for jobs which are not protected by categories laws, such as construction, commerce or food.

The current financial crisis and renovation of Italian labour market has adversely influenced also employment market so those willing to survive have to take into account other jobs, including starting-up a small business.

Finally, the immigrants' strong desire to improve their families economic and social conditions brings them to risk more than Italians usually do. This may be the reason why immigrants businesses have have a longer life.

5.2 Objectives and dimension

As previously remarked, local policies aiming to the promotion of ethnic entrepreneurship are part of wider policies focused on the promotion of general entrepreneurship in the city of Turin. However some of them include specific measures aimed at providing services or facilities to immigrants who want to start-up a business. Most of them are intended to facilitate formal access to all information needed to start-up or administrate the business (information provided in different languages, specific training programmes, counselling, etc.). No specific policies aimed at developing ethnic entrepreneurship were registered. Therefore, dimension of such policies is quite big because they are addressed to all citizens, both national and foreigners. In other words all the measures observed in the field-work are part of ordinary strategies of the local Administration to improve the urban economic development. Of course, policymakers know very well that, as a consequence of the growing number of immigrants residing in the city of Turin, the quota of foreign recipients of these policies is bigger and bigger.

Despite a growing awareness of increasing migrant entrepreneurship, the Municipality has chosen not to devote a specific part of its *policies* to the development of ethnic entrepreneurship, choosing instead a more inclusive approach that does not consider such phenomenon as extra-ordinary.

The *SME sector* policies are mainly aimed at supporting those who decide to start a business and their general objective is to improve the allocation of resources, both material and symbolic, for applicant entrepreneurs. On one hand, therefore, such support takes the form of training or consultancy programs and, on the other, of financial resources distributed as loans, micro-credit initiatives or other financial concessions. As a result of the increasing number of foreign citizens who decide to start a business, one of the objectives of the policies drawn up is to simplify the way in which such support programs may be accessed by making information available in languages other than Italian, that is, the languages of the country of origin of the largest National groups present on the territory (Arabic, Chinese, Rumanian, Albanian and Spanish). This trend is also confirmed by the fact that in the past few years the institutions involved have hired many cultural mediators.

Another clearly important objective, which will be dealt with more extensively later on, is to achieve a harmonization of the policies aimed at supporting small and medium enterprises with the policies pursuing

the city's urban development. In particular, some of the financing initiatives are dedicated to those entrepreneurs choosing to start their business in suburban and more challenging areas, which in most cases are the same as the districts most densely populated by foreign citizens. In this respect, it is worth to notice that the city's Department of Integration Affairs is also in charge of Urban Regeneration. Therefore, the requalification of some urban areas goes inevitably hand in hand with the development of entrepreneurial activities.

5.3 Main actors

Main actors involved in such a policy are both public and private. Part of them are directly involved in the Local Administration.

Three City's Departments are actively working towards the definition of measures and rules applicable to entrepreneurship in general, and ethnic entrepreneurship in particular, by playing a political and coordination role: the Department of Trade Affairs (*Assessorato al Commercio*), the Department for Labour Affairs (*Assessorato al Lavoro*) and the Department for Integration Affairs (*Assessorato all'Integrazione*). The first one hosts the Business Front Office (*Sportello Unico per le Imprese*), which is in charge of offering services to local businesses and future entrepreneurs. Besides offering help in terms of orientation and support in dealing with public bureaucracy, such front office provides financial support services offering the loans necessary to start and revamp small businesses. The office is part of a network of bodies (Chamber of Commerce, Regional Authority, Provincial Authority) and besides providing for a wide range of public financing opportunities, it also offers help on legal and economic aspects connected to the establishment of businesses (setting up of business plans, choice of the right company name, etc).

The City's Department for Labour Affairs, headed by the Deputy Mayor of the City of Turin, is in charge of the professional training aspects, as well as of the allocation of financial resources made available by the Structural Funds and by the Ministry of Labour (former Law n.266/1997). Although specific measures to support ethnic entrepreneurship are not part of its agenda, the City's Department of Integration Affairs plays an important role in the coordination of the various integration policies as well as being informally active in helping set up migrant and business associations.

Therefore, if City's Departments play mainly a political role, the actors with a more active role both at the designing stage as well as at the stage of execution and implementation of the policies are Local Development Agencies (*Agenzie di Sviluppo Locale*). They are entities devoted to promoting the economic and social development of restricted areas within a city. In many cases, such agencies are the result of collaboration between various public institutions and the main public and private local actors; they design projects and services to improve the competitiveness of small and medium local enterprises and the ability of a given area to attract capital. In Turin, in particular, an important role is played by the San Salvario Local Development Agency, the Via Arquata Development Agency and the Development Agency named "The

Gate". They are active in districts characterised by a high concentration of resident immigrants and therefore a large number of the measures inevitably address ethnic entrepreneurs.

The direct involvement of ethnic entrepreneurs is slightly higher in Local Development Agencies, which often have relationships also with migrant associations present on the territories within their competence. At central local administration level, however, such involvement is less frequent and mainly limited to the presentation stage of the policies adopted. The City's Department of Integration Affairs is a small exception to this: given its nature, the relationship it has both with migrant associations and individual ethnic entrepreneurs is more stable. In particular, this Councillorship has designed some informal assistance procedures which will be dealt with more extensively later on.

As far as the actors involved are concerned, other institutional actors should also be mentioned; in general, they work in a network and with local administrations to create measures and projects supporting entrepreneurship, general and ethnic in particular: the Chamber of Commerce of Turin, the National Confederation of Crafts (*CNA- Confederazione Nazionale dell'Artigianato*) of Turin and the Revenue Agency organisation - Piedmont Regional Division (*Agenzia delle Entrate-Divisione Regionale Piemonte*), which have stood out for the presentation and implementation of some interesting projects specifically addressing ethnic entrepreneurs. Such projects will be dealt with in detail later on.

5.4 Targets

As previously mentioned, the majority of policies addressing entrepreneurship are targeted to applicant entrepreneurs in general, both Italian and not. The choice made by the Municipality to include the support to ethnic entrepreneurs in the wider scope of policies promoting local enterprises makes it difficult to distinguish the various targets of such measures. Obviously, in some cases such policies are only formally intended for everyone, since the presence of migrants is so high in some parts of the city that the actual beneficiaries of such measures are mainly immigrants. However, the figures that we have collected through an on-field survey indicate that it is not possible to confine such situation to individual districts. The number of foreign business proprietors benefitting from orientation and accompanying programs, or applying for various kinds of financial support, is high but never the majority.

Although the policies do not address a specific target, it is possible to identify the target by the phase addressed by the policies adopted. The majority of measures, in fact, address the start-up phase of a business. Such policies include orientation and accompanying programs, setting up of front offices for information as well as legal and administrative advice, loan programs and subsidized loans, as well as training courses for would-be entrepreneurs. In addition, a small number of policies address businesses that have already been set up. Their main aim is to provide financial support to overcome difficult times or to promote the relocation of businesses towards suburban or poorer urban areas.

5.5 Institutions

From a national and local institutions point of view, the framework of actors relevant for businesses is rather complex and reflects the decentralization approach typical of Italy.

At national level, the competent institution appointed by the country's Government is the Ministry for Economic Development which includes the Productive Activities, International Trade and Cohesion Policies Departments. Among others, the Ministry has the task of implementing industrial development policies for SME sector. Within the Ministry, the division competent for the SME sector is the DGIAI (Directorate-General for the Promotion of Entrepreneurial Activities), whose main activity is to allow and provide financial concessions to businesses with the aim of pursuing important industrial policy objectives. The Directorate also manages the Guarantee Fund for Italian small and medium enterprises while the Ministry has the task of deciding and changing the eligibility criteria to access the allocated funds.

Certainly, an important role is played by each individual Regional Authority. *Piemonte* Region, which covers the city of Turin, includes two Directorate-Generals that play a fundamental role for businesses: the Education, Professional Training and Labour Directorate and the Productive Activities Directorate. The first one includes the Division for the Promotion and Development of Entrepreneurship and Cooperation, which is in charge of planning and implementing activities for the setting up of businesses through the use of financial resources allocated by the European Union's structural funds. In addition, the Division is in charge of guaranteeing access to loan programs and of promoting micro-credit programs. The second regional Directorate, on the other hand, includes the Requalification and Territorial Development Division, which is in charge of planning integrated support actions for businesses and urban requalification.

The Province of Turin also plays a fundamental role in the definition of policies and measures promoting entrepreneurship. In particular, it is worth to point out the work of the front office named Become Self Employed (MIP, *Mettersi in Proprio*), a service supporting new businesses free of charge. In particular, the MIP service deals with:

- a) Promotion of entrepreneurship (system interventions)
- b) Consultancy services (ex ante assistance)
- c) Mentoring (ex post assistance)

Within the Municipality of Turin the Departments concerned are the ones mentioned under paragraph 5.3. In particular, the Business Front Office is in charge of offering services for local businesses. Besides offering help in terms of orientation and support in dealing with public bureaucracy, such front office provides financial support services offering the loans necessary to start and revamp small businesses.

Certainly, the role of the Chamber of Commerce of Turin, a state institution not directly dependent from the Local Government, is significant. Besides keeping the Register of Businesses and Crafts, the Chamber of Commerce offers many opportunities for economic support, including loans, entrepreneurial training, consultancy and orientation. Particular attention should also be given to the Study and Research Division; every year, it publishes a report on the entrepreneurial situation in the Turin area, including extensive insights on ethnic entrepreneurship.

Certainly, other non-state institutions playing an important role for entrepreneurship are professional associations. Among them, the CNA, the National Confederation of Crafts and Small and Medium Enterprises of Turin, plays a leading role and its programs and actions demonstrate its interest also towards the phenomenon of ethnic entrepreneurship. The project named *Dedalo*, for example, is the result of a collaboration with *Almaterra* Association and provides for a permanent cultural mediation service for the start-up and development of businesses. This is one of the few Italian examples of an employers' association offering such service free of charge. The main goal is to reduce the obstacles that foreign citizens face when starting up a business.

Similarly, the API-TO (the Association of Small and Medium Enterprises of Turin and its Province) plays an important agency role for the SME sector within the city area. The Association offers assistance in relation to trade unions, technology, environment and sales; in addition, it acts as a representative among local Institutions and Authorities.

5.6 Access and involvement in policymaking

The access and involvement of ethnic entrepreneurs in policymaking is a challenging topic that varies according to the institutional level.

At the highest level, as far as Turin area is concerned, individuals don't seem to play a big role in the planning of measures by the city's institutions concerning ethnic entrepreneurship. This role is mostly informal and unstructured. In other words, the city's political agenda doesn't allow for a direct participation of ethnic entrepreneurs, also owing to the lack of organisations representing them. The highly individual character of ethnic entrepreneurship actually reduces the chances of an active involvement in defining measures and policies.

Nevertheless, interesting cases of "informal" involvement have emerged from in-field observation. It should be noted that these instances are limited to the solving of specific issues concerning one or more foreign entrepreneurs who applied with the competent Administration offices. In rare occasions, the Councillorship for Integration has organised meetings with persons interested in setting up a business. In many cases, such an interest originated from suggestions made by the administration itself.

For instance, the Hatun Wasi association, that gathers Peruvian women working in food distribution at Pellerina public park, during the last few months has started a path of informal orientation together with the offices at the Councillorship for Integration (*Assessorato all'Integrazione*), in order to consider the possibility of setting up a business among some members of the Association. Hatun Wasi's case is representative of the city administration's intention to give support, from the highest levels, in similar

situations²⁴. Hatun Wasi's ongoing path could be the trigger – according to the Councillorship's intentions – to solve similar issues and find a balance for integration and respect of the rules, from one side, and support to social initiatives for the different immigrants communities.

As to the involvement or registration at lower level institutions, the data emerging from Turin's Chamber of Commerce are quite significant. On June 30, 2009, 18,788 businesses with extra-EU owners were registered at Piedmont Chamber of Commerce, out of which 10,107 in Turin province. Actually this information alone is not strictly bound to some sort of membership since registration at the Chamber of Commerce's Register of Companies is a law's mandatory requirement for the majority of business activities.

More interesting is the number of ethnic entrepreneurs registered at trade associations, such as CNA (National Confederation for the Craft Sector and Small and Medium Enterprise of Italy).

So, although institutions have not set up specific structures aiming to formally involve ethnic entrepreneurs in defining policies, it must be noted that entrepreneurs themselves have not yet developed parallel organisations able to act as representative institutions in Turin area. In other cities, Milan or Rome for instance, ethnic entrepreneurs have set up actual trade associations, often as an answer to specific needs.

The Association of Foreign Entrepreneurs in Italy was set up in Rome in November 2009 and gathers foreign entrepreneurs and representatives of organisations fighting for migrants rights. Its main aim is to fight any form of racial discrimination against those doing business. In particular, the Association was set up following the observation made by *Associazione Progetto Diritti* concerning Inps (Italian Social Welfare Institution) in order to have a memo cancelled for being discriminatory towards foreign entrepreneurs. The memo was issued in February 2009 and stated the need to “*foster surveillance with regards to businesses owned by ethnic minorities*”. The association intends to remove all impediments to carrying out business activities connected with the entrepreneur's foreign origins, fight unlawfulness in the workplace, fight any form of usury with regards to foreign entrepreneurships, foster forms of mutual assistance and credit facilities for foreign people, as well as work together in building cooperation to set up businesses and pools²⁵.

It is worth mentioning the experience of some Moroccan entrepreneurs associations in Turin, that were set up some years ago and whose activity and success was always connected to the political scene in Morocco. The Hassania Association, for instance, has long represented the other side of Moroccan immigration in Italy, being officially supported by King Hassan II, and has taken part, mostly in the past years, to many meetings organised by Turin's Chamber of Commerce. Hassania is not the only Moroccan entrepreneurs association in Turin. The President of the *Associazione Musulmani delle Alpi* (Association of Muslims of the Alps) is a

²⁴ The Association itself was born following Counsellorship for Integration's specific intention to solve the challenging issue of food distribution by the Peruvian community in the Pellerina Public Park. The idea was, on one side, to promote an actual self-development of some associations and communities and, on the other side, to legalize as much as possible certain situations and to make them in line with the applicable legislation.

²⁵ Source: www.progettodiritti.it

small Moroccan entrepreneur that has not taken part to many public events, owing to his strong criticism to Rabat Government²⁶.

5.7 Formal access to entrepreneurship, rules and regulations

Setting up one's own business is many people's dream but the process is more and more difficult. Requirements and legislations are often an obstacle for both Italian and foreign citizens. For the latter the difficulties are even greater owing to their status of non-Italian citizens as well as to linguistic and cultural barriers. First of all, applicants must be regular citizens with valid permits and legal requirements. Then they need to perfectly understand the obstacles of the language of law and bureaucracy in Italian and to meet all deadlines and requirements of the bureaucratic process, that are often different in their countries of origin. The applicable legislation is found mainly in Legislative Decree 286/98, DPR 394/99 and Leg. Decree 3/2007. According to law, foreign citizens willing to set up an autonomous business in Italy should:

- a) wait for the issuing of the so-called flows decree, then see the categories being specifically excluded²⁷;
- b) be legally (no criminal conviction or pending proceedings) and professionally (fulfilment of mandatory education requirements) eligible according to law (same as Italian citizens);
- c) have a proper residence, demonstrated by a purchase or lease agreement, or by a statement by an Italian or foreign citizen legally residing in Italy, declaring he or she has placed an accommodation at the applicant's disposal;
- d) have a yearly income higher than the minimum threshold established by the Italian law for exemption from health costs.

Apart from these requirements, foreign entrepreneurs willing to set up a business must apply for a "Declaration" issued by the Chamber of Commerce stating that there are no impediments to the setting up of the business. The Chamber of Commerce is also competent for the issue of the so-called *Attestazione dei parametri riguardanti la disponibilità delle risorse per iniziare l'attività (Evaluation of parameters on the availability of resources to start the activity)*. When considering whether to issue or not such certificate, the Chamber of Commerce takes the following cost criteria into consideration: a)

²⁶ Personal interview with Francesco Ciafaloni, Società Ricerca e Formazione – Turin.

²⁷ "Flows decree" is a decree issued yearly by Italian Government which sets the maximum number of foreign nationals who can be accepted yearly in Italy for working reasons.

costs connected to buildings (lease or purchase), costs connected to machinery and systems, costs connected to equipments, other costs (supplies, stocks, etc.).

As far as the permit of stay is concerned, foreign citizens entering Italy for the first time must apply for a specific permit of stay for autonomous employment (*permesso di soggiorno per lavoro autonomo*). If the applicant has a permit of stay for different reasons (study, tourism, business), he or she needs to apply for conversion into a permit of stay for autonomous employment reasons, before being able to start their activity. Lastly, foreign citizens living in Italy for at least 5 years and already owning a valid permit of stay, demonstrating the minimum required income and having a proper accommodation, can apply for the issuing of a long-term EC permit for extra-EU citizens at the local police authorities (*Questura*), also for autonomous employment reasons. The State Police is the competent body for renewing or issuing the permit of stay, that must be shown for registration in the Register of Companies.

As long as all the above is fulfilled, the applicant must register its business in the Register of Companies of the Chamber of Commerce and, where needed, in the Register of craft businesses (*Albo delle Imprese Artigiane*), before the above-mentioned Chamber.

Then he or she will have to apply for VAT registration at the Italian Revenue Agency (*Agenzia delle Entrate*), register with Social Security (INPS) and INAIL (Italian Institute for Insurance against Accidents at Work) if employees are present or if dangerous equipments are used.

As to the most common types of individual businesses set up by ethnic entrepreneurs, there are extra requirements to fulfil. Phone centres, that are set up by many Moroccans, Egyptians, Peruvians and Ecuadorians, are subject to a specific authorisation issued by the telecommunication guarantee authority (*Autorità per le Garanzie nella Comunicazione*) by applying with the Territorial Department of the Ministry of Communications (*Ispettorato territoriale del Ministero delle Comunicazioni*). Those willing to set up a hairdresser's shop, mostly Chinese and Moroccans, need a professional qualification that is acknowledged by the Chamber of Commerce's Provincial Commission for Crafts. The related permission, that is issued by municipal authorities (*Comune*), is granted after assessing the fulfilment of all requirements. Lastly, also commercial activities, cafes and restaurants – i.e. the most common businesses among all main immigrants communities in Turin – need a special permission issued by the municipal authorities.

As soon as the activity is started, the entrepreneur will have to send formal communication to the municipal authorities and, in particular, to the Tax Office (*Ufficio Tributi*), in order to have the corresponding waste disposal charge applied. Among other duties charged to the entrepreneur: IRAP (Regional Tax on Industrial Activity), that is paid by the business, and IRPEF (Personal Income Tax), that is paid by the owner by summing the income from the business to other forms of income. IRPEF rate is calculated on a progressive basis according to the total income.

Other references in the national legislation on entrepreneurship state general principles rather than specific requirements or rules, for instance the accountability principle. According to the Law, the entrepreneur pursues its business and is solely accountable for it. As a guarantee, the owner is accountable with his/her whole possessions, both business and personal patrimony. As far as book-keeping is concerned, the entrepreneurs should seek an expert's assistance.

5.8 Zoning plans

Zoning plans and ethnic entrepreneurship in Turin have an indirect yet strong relationship. The presence of areas featuring a high concentration of immigrants (San Salvario, Barriera di Milano, San Paolo, among others) has inevitably led the City Administration to reshape the new zoning plan, that was approved in 2009, taking into consideration the new inhabitants.

An important change in the city planning, that started in Turin during the last decades and was accelerated by 2006 Winter Olympic Games, is still ongoing. The new zoning plan has revolutionized the city shape through three main actions: a) rehabilitation of the many old industrial areas, b) new infrastructures (underground lines, railway stations), b) artistic and architectural rehabilitation in the historic centre. These three lines of action aimed at a general renovation of Turin's image, that was strictly bound to its industrial past. The city totally transformed during the past ten years and this ongoing transformation coincided with the period of greatest foreign immigration. The old areas where migrants from Southern Italy (Sicily, Calabria, Apulia and Naples) used to live are now inhabited by Moroccans, Romanians, Albanians, Chinese or Peruvians. Also business activities, that were once owned by the so-called *meridionali* (people from Southern Italy), have slowly made room for migrant-owned businesses. Today the historic market of Porta Palazzo is a meaningful example of this melting pot of migrations in Turin.

In such a context the City Authorities have decided to shape a zoning plan that respected also the evolution of the different populations that inhabited the different city areas. In fact, even though the rehabilitation of the historic centre (the so-called *Quadrilatero Romano* and the once notorious *Via Barbaroux*, for instance, today an elegant downtown street) has caused many foreign businesses to leave the city centre, in other areas the Administration tried to value the presence of migrant-owned commercial businesses.

Recently, Turin mayor Sergio Chiamparino has claimed that the City Authorities are willing to include the ethnic market of Porta Palazzo in the traditional touristic paths, also through a twinning with Barcelona (Spain), within the Me'd Emporion Project²⁸. The project, that originated from an agreement with the Spanish City Authorities, is currently undergoing assessment by Commerce Councillor Altamura: in March 2010 a new pavilion will be opened, that was built by Italian architect Massimiliano FuKsas (Palafuksas) and, together with the return of shoes shops, the Councillorship expects the inclusion of trade and

²⁸ Emanuela Minucci, La Stampa, 10/08/2009

entertainment activities that will be able to change the whole area. A business licence deregulation campaign will foster the setting up of ethnic and theme cafes and restaurants. Lastly, negotiations are currently ongoing with Italian and foreign itinerant traders in order to consider the possibility of keeping the stall market open also during the afternoon.

Nevertheless, it must be noted that in Turin there are no mono-ethnic city areas since business followed two independent patterns, although in some city areas there are dominant nationalities: on one hand the previous migration streams and, on the other hand, the city planning patterns²⁹. In the first case, as already mentioned, foreign traders penetrated areas where migrants from Southern Italy used to lead businesses; in the second case, ethnic entrepreneurs followed the different orientation of the city areas and adapted to the local market needs. Peruvian entrepreneurs opened up their businesses in the San Paolo area, Moroccan and Egyptian restaurant owners settled in the city centre, Chinese hairdressers and clothes shops focused on the popular *Barriera di Milano* area, while Romanian builders settled in suburban areas.

The Councillorship for Integration (*Assessorato all'Integrazione*) has recently carried out a survey on business activities in the *Barriera di Milano* area, where 16,6% of the whole migrant population residing in Turin lives³⁰, within the Urban2 Project. According to the survey, many Moroccan women that set up food specialty shops came from other areas of the city centre (historic centre or San Salvario), following the increase in real estate value in those areas.

5.9 Sectoral rules and regulations

The City set of rules regulating the granting of business licences for trade and restoration activities has certainly had the strongest influence on the development of ethnic entrepreneurship. As already mentioned, on one hand the City Authorities are willing to develop this kind of small enterprises in the *Porta Palazzo* area – by the way this area already features a high concentration of specialty food shops and restaurants, mostly Moroccan. Through the granting of new business licences, the City Authorities will cause the development of new small businesses in one of the emblematic areas of the city's multiculturalism.

Generally speaking, during the last years the sectoral rules on trade activities have shown a tendency to liberalize the market as much as possible. A first step was the removal of some professional and training requirements, for instance in the field of food and drinks distribution. This process has simplified the setting up of businesses (food specialty shops, restaurants, cafes, etc.) owned by foreign citizens, since it has reduced the requirements for starting such activities.

²⁹ Personal interview with Counsellor Ilda Curti – Counsellorship for Integration – City of Turin.

³⁰ 2009 data on the 6th District (*Circoscrizione 6*): total foreign resident population 20,615 citizens. Statistical Office – City of Turin

Not all legislations, both national and local, had a positive effect on ethnic entrepreneurship. For instance, starting from 2006, the new regional and municipal legislations have established specific requirements concerning phone centres and including health conditions (managing and maintenance of telephone booths), trade (opening hours), structural aspects (two toilets are required, one of which must be suitable for disabled people) and operational procedures (customers identification through ID card)³¹. City of Turin has adopted a regulation on this topic, requiring some important structural works that are not always feasible³².

The immediate consequence was that many phone centres, mainly owned by immigrants, have closed down.

5.10 Business acumen

Different measures were adopted in Turin area in order to strengthen awareness and share information concerning the possibilities to set up and manage a business. The majority of them focuses on the business start-up and some of them are specifically addressed to foreign citizens.

Some of these measures are carried out by organisations that are not directly bound to the City Authorities, although the City, along with the Province and Region Administrations, are often included as sponsoring or financing institution.

At the institutional level, a series of important initiatives are supported by a dedicated office (*Sportello Unico per le Imprese del Comune di Torino*) and the *MIP service* (MIP means "*Mettersi In Proprio*", e.i. "to set up one's own business"), that is controlled by The Province of Turin and the Chamber of Commerce. These points of reference offer mainly orientation aiming to make the aspiring entrepreneurs aware of the connected risks and to assess the feasibility of the business, in order to avoid the creation of weak high-mortality businesses.

MIP, in particular, offers both counselling and tutoring service.

In the first case, dedicated to aspiring entrepreneurs, a first pre-welcoming phase is offered, followed by an actual welcoming and a third phase dealing with tutoring and business plan development. After a first telephone or e-mail contact, the interested persons are offered advice aiming to identify the critical elements of the project. After that, the office offers the support of a tutor who will assess the feasibility of the business and assist in formulating the business plan. The business plan will then undergo validation by the Province Administration.

The MIP also offers update sessions. Entrepreneurs attend short trainings that complete the supporting path and give them useful skills for managing their businesses.

As far as tutoring is concerned, assistance is proposed for a maximum of 36 months from the business start-up. This service is reserved to businesses that were created thanks to the above-mentioned path, that ended with the project validation by the Province Administration. Tutoring aims to accompany the new

³¹ *L'immigrazione che intraprende*, FIERI and Turin's Chamber of Commerce, 2008, p.148.

³² Deliberations of the City Council in 24/5/2004 e 13/3/2006. For further details, see:
www.comune.torino.it/commercio/sanita/autorizzazioni/guida/phone.htm.

entrepreneurs during their first years, supporting them in assessing the business condition and in finding financing opportunities and facilities.

This is an actual facilitation offered to newly-established businesses. After validation and start-up, successful initiatives can benefit from special facilities for both supporting the entrepreneur's income and covering start-up costs and investments.

Some data is given in order to get an idea on how many foreign people make use of MIP services. Generally speaking, around 5% of entrepreneurs currently seeking assistance is made up of foreign citizens³³. Between 2003 and 2008, 840 businesses completed their orientation path, equalling 1.496 users. 5,4% of them are foreign people, mainly non-EU. According to the MIP, between 2003 and 2008, 19,5% out of these have closed down. In the same period, a slightly higher figure was noticed with reference to Italian-owned businesses, i.e. 21%. This data is more meaningful if compared to the early mortality rate of all businesses in the Province of Turin, which is 38,5%. The MIP data shows a slightly better performance from foreign-owned business on the total of businesses that were created in the area.

The ongoing training initiatives and projects aiming to transfer knowledge and skills to entrepreneurs include those promoted in Turin by the Chamber of Commerce in collaboration with Api-Formazione, the training centre of API (Province of Turin's Small and Medium Businesses Association). Among them, that are almost always financed with national and European public funds³⁴:

a) *Progetto Straniero e Imprenditore*, aiming to support foreign citizens willing to set up a business in Italy. The focus is on the necessary strategies for maintaining or enlarging newly-established businesses as well as on the procedures for setting up a new business. The Project has outlined 3 specific goals:

- 1) Simplifying the identification of an alternative reference system (different from the foreign community of origin),
- 2) Obtaining support by the relevant trade association in order to face the difficulties during the setting up and maintaining of a business,
- 3) Create a space where local entrepreneurs can share tips and business advice,
- 4) Give the opportunity to monitor and verify business decisions.

b) *Progetto Apinet*, aiming to enable entrepreneurs to receive useful information for their business through e-mail. The service makes it possible to monitor competitors, suppliers, customers and opportunities within the relevant market segment.

c) *Progetto ApiSafe*, that dealt with the issuing of a guide teaching entrepreneurs to act promptly and effectively in case of an emergency.

³³ The data on MIP service has been provided by Marco Manero, who is in charge of the MIP Service-Province of Turin, during a personal interview that has taken place on the 10th of December 2009.

³⁴ Source: www.apiform.to.it

d) *Progetto Rimotivazione*, dealing with personal motivation and taking inspiration by coaching activities. This new approach to counselling is part of a concept aiming to guide and support the entrepreneur in the process of evaluating and identifying problems within the business. A dedicated guide was distributed. A last measure deserving consideration, since targeting ethnic entrepreneurs, is the project *Fare Impresa - Istruzioni per i nuovi cittadini* (Doing business - User's guide for new citizens) promoted by the Revenue Agency, INPS and Turin Chamber of Commerce. The Project has established an actual school for aspiring entrepreneurs. The first lesson was held on the 22nd of February 2010. The class takes place on a monthly basis (two hours per month) and is split in modules. It deals with the most important practical issues for the new entrepreneurs' daily activity, from the setting up of the business to fiscal and social security obligations. A small guide for new entrepreneurs, containing the most basic information and contacts with the relevant public administrations, is given to participants. The project was supported also by volunteer associations in Turin area that deal with foreign people, such as Sermig, the Italian-Egyptian association Cleopatra and Turin's Caritas. Among other things, these associations are the bridge between the *Fare impresa* school and foreign entrepreneurs, since they collect subscriptions.

5.11 Finance

As far as ethnic entrepreneurship is concerned, access to credit and financing for setting up and maintaining a business is one of the most important topics as well as one of the most critical points when drawing policies for entrepreneurs. In the current economic recession climate, where the SME sector is in decline and more and more businesses are closing down or going bankrupt, financial aspects are an extremely delicate and critical question.

Many measures were adopted in Turin area to simplify the access to credit and financing for both Italian and foreign aspiring entrepreneurs. Nevertheless, in most cases migrants lack the material and financial assets needed to start up a business. As a matter of fact, the reason why many immigrants decide to create their own business is to improve their economic situation and be able to earn more than working as employees.

Financial support is promoted by both public (City, Province and Region Authorities) and private institutions. Microcredit is one of the most interesting and demanded opportunities, also by ethnic entrepreneurs³⁵.

The City Administration intended to create a solution for people with no guarantees, aiming to grant short- and medium-term credit in order to purchase equipments for new businesses or businesses that were set up during the year preceding the date of publication of the notification for accessing the program. Microcredit requests are assessed by banks that were selected by technical staff of the City Administration and

³⁵ Microcredit, that already existed in the 19th century, was imposed in 1976 with the creation of Grameen Bank, whose founder, Muhammad Yunus, received the 2006 Nobel Peace Prize. Grameen is a solid financial institution that grants, with no guarantee bond, small sums to individuals who are experiencing difficulties or are excluded from traditional credit. More than a half of the customers that were granted credit by Grameen in Bangladesh (around 7 million people) have found their way out of extreme poverty thanks to the Bank's micro loans. 97% of them are women.

Finpiemonte s.p.a. Microcredit is not a non-recoverable grant. It is a loan given by one of the banks in partnership with Finpiemonte on concessionary terms, and guaranteed by a specific fund established by the City Administration and *Fondazione CRT*.

The minimum sum is 1.000 Euro, whilst the maximum is 10.000 Euro. The repayment must take place during the three years following the request, on a monthly or quarterly basis and on an interest rate at the best market conditions. No actual guarantee is required. In fact, this opportunity targets those people showing a strong desire for autonomy and demonstrating worthy business ideas. The City of Turin requires these qualities and acts as a guarantor in the process.

The needed resources for microcredit development come from funds that were allocated by the Ministry for Economic Development as a form of support according to Law 266/97 (*Legge Bersani*) and the relevant enforcement rules contained in Ministerial Decree 267/04.

From 2004 until today, 233 users have benefited of this opportunity, out of which 83 foreign citizens. This means that 33,6% of those who asked and obtained microcredit are ethnic business owners³⁶. Predominant nationalities include Moroccans and Romanians, many Albanians and Peruvians and some Chinese, whilst the most targeted business area is retail.

According to the data supplied by the Office for Economic Development of the City of Turin, the majority of loans were granted for shops in the Porta Palazzo and San Salvario areas, where most foreign people live.

Microcredit granting usually takes place after the entrepreneurs has undergone a procedure to asses the general condition of the business. A minimum of three meetings are scheduled with the City officers. During these meetings the different expenses for which financing is asked are thoroughly reviewed, as well as any loans previously obtained. Through a short observation during in-field research, we met, for instance, an aspiring Argentine entrepreneur that applied with the City's Economic Development Office for microcredit. He already owned a small piercing, earrings and rings shop and was willing to enlarge his business making tattoos. During the start-up phase he had benefited from microcredit within the *Dieci Talenti* Programme, as well as from a loan granted by *Per Micro* (that will be mentioned later on), for a total sum of 7,000 Euros. After ascertaining the timeliness of payments to the creditors, as well as the truthfulness of the declared expenses (lease, registration at the Chamber of Commerce, etc.), microcredit was granted. The Economic Development Office works in tight relation with the other organisations dealing with business financing, such as the Province of Turin's MIP service.

Microcredit is granted by the abovementioned public institutions and also by private entities, such as *PerMicro*, a company that was established in Turin in partnership with *Banca Etica*. The company is present everywhere throughout the country and is specialized in granting small loans (no tangible guarantee is required) to people excluded from the traditional bank system. In particular, its services target Italian and foreign citizens willing to start up or develop a business, as well as families, in response to critical financial

³⁶ Source: Economic Development Office – City of Turin. Personal interview with Elisabetta Bergamasco.

needs connected to the house, the health or the education. *PerMicro* thus addresses the ever-growing request for financial services at more reasonable conditions and has become a reference for the Third Sector (social cooperatives, associations, non-governmental organizations) and for cooperation, as well as for all public entities interested in developing in-field microcredit initiatives.

PerMicro's proposal is based on the concept of network credit: the reference network is deemed to be the best guarantee for building and maintaining confidence between creditors and applicants. The main networks that *PerMicro* addresses are: a) ethnic associations and communities, b) centres of aggregation and parishes, c) local development associations and agencies, d) pools and cooperatives, mainly social and e) non-governmental associations and organizations.

Lastly, as far as banks are concerned, it is worth mentioning two cases where banks decided to dedicate two agencies to foreign customers. It is the case of the Intesa-San Paolo office in Porta palazzo and Unicredit Office in Largo Dora Savona, where foreign staff was employed in order to overcome language barriers and, probably, build confidence, which is crucial for financing and loan granting.

5.12 Business locations

The in-field research didn't show specific measures aiming to promote, support or assist (ethnic) entrepreneurs in selecting his/her business location.

The most meaningful example on this topic on a national level (but it applies also to Turin) are the forms of financing described in Law 266/97 (the so-called *Legge Bersani*)³⁷. Art. 14 aims to promote entrepreneurship and employment in extremely decayed areas. In other words those deciding to move or set up their business in challenging areas (in most cases suburbs and areas featuring a high percentage of immigrants) are offered various forms of financing. The initiative thus aims to support the creation of new businesses as well as investment projects submitted by existing businesses. The targets of credit facilities are: micro and small businesses, individual firms, goods and services cooperatives, social cooperatives.

Financing can be granted to businesses dealing with: mining and manufacturing processes, retail sale, repair of personal and household items, services for businesses and people, cultural and touristic services, transformation and trading of agro-biological products. Businesses can obtain financing for the following expenses: feasibility studies, executive planning, direction of works, counselling and assistance services (aimed to the business plan creation), up to 5% of the total investment plan; patent purchasing, business logo creation, website building, quality and/or environmental systems, quality and/or environmental certifications, research and development; systems and masonry for renovation works, included those for adapting the

³⁷ Financing opportunities are offered only to businesses that are or will be established (also with one single local business unit), in areas of social and urban decay in the cities of Rome, Bari, Bologna, Cagliari, Florence, Genoa, Milan, Naples, Turin and Venice. The relevant enforcing notification specifies the targeted areas for each of the above-mentioned cities.

premises to production requirements or their restoration. These expenses must be connected to other investments and cannot exceed 50% of the total allowed investments; purchase of specific systems, machinery and equipments, included furnishings; integrated information systems for automation projects, automated or robotized systems, software purchase for production and management requirements; necessary investments for enabling the business to abide to all safety regulations in the workplace; specific investments for reducing the environmental impact, implementing waste evacuation / recycling practices and reducing energy and water consumption.

The expenses not being eligible to financing include the purchase of raw materials, semi-finished and finished products; management and operating expenses (e.g. advertising and promotion, rents, administrative counselling, etc.), business incorporation, expenses made before the application, leasing expenses. Facilities will be granted up to 50% of the admitted investment expenses and for a sum not exceeding € 100.000.

5.13 Access to employment with ethnic businesses

The in-field survey hasn't shown any measure aiming to support the access to employment or apprenticeships for migrants in ethnic businesses.

As already mentioned, Turin's Administration has decided not to consider ethnic entrepreneurship as an extra-ordinary phenomenon. The City's political agenda doesn't include any specific measures for supporting the employment of foreign-only staff in ethnic businesses, nor do the other institutions. Such measures wouldn't probably be welcome among local population, since they would be perceived as a form of privileged access to employment for foreigners. In fact, in the current political debate on immigration, according to one of the main argumentations claimed by the anti-immigration parties (such as *Lega Nord*), immigrants are thought to "steal" jobs from Italian people. These measures might foment such arguments, thus favouring openly racist and xenophobe parties. *Lega Nord*, which has been growing more and more during the last elections, has many supporters in Turin and in Piedmont area. During the next regional elections, that will take place on the 28th and 29th of March, a candidate from the centre-left democratic party will be facing a candidate from *Lega Nord*, that represents the majority party in the Government, that is led on a national basis by Silvio Berlusconi.

5.14 Marketing

At a formal level there seem to be no measures that aim at improving the marketing of entrepreneurs, both ethnic or local. The prominent idea is a liberalistic market that doesn't support the marketing activity of each small entrepreneur with specific measures.

Nevertheless, at an informal level, in-field observation has shown some isolated initiatives. The promoter was the City of Turin's Integration Office that, when organising events and public demonstrations on intercultural speech or integration often relies on associations or small immigrant-owned businesses for the

supply of services, such as music entertainment or catering. On these occasions, for instance the *Spiazza Mondo* initiative, that took place on the 20th of December 2008 in Piazza Castello in Turin, a few small businesses were involved and had the chance to informally show themselves on the market. The supporting of festivities within the main communities can also be seen as a form of marketing initiative. The Summer Latin-American Festival, that takes place in Turin, in the Arena Continassa area, was sponsored, among others, by the City of Turin. Peruvian restaurants and specialty food shops were present with their stalls and had the chance to be known by people and promote their business.

Similarly, when organising the *Grand Magal* (an important religious festivity for the Mourid Islamic Senegalese community), the City Authorities accepted, in an absolutely informal manner, the presence of religious objects retailers in the area in front of the hall devoted to prayers. Many Senegalese owned small retail shops and had the chance to display their merchandise and make themselves known among the community.

These are obviously informal and non-organised measures involving a limited and specific part of ethnic entrepreneurs.

5.15 Transnational economic connections

Transnational economic connections are certainly an important topic, although not yet particularly developed in Turin area. The massive development of ethnic entrepreneurship being quite recent, local administrations may be justified in their delay in promoting and supporting the local ethnic entrepreneurs' transnational connections.

Entrepreneurship has clearly been a paramount topic of informal discussion between City Administration representatives and Consular officers from the countries of main contribution to immigration in Turin. Nevertheless no particular measures were taken to strengthen the existing transnational connections.

We may mention the effort of Turin Federation of Crafts (CNA). From 23rd to 27th of June 2008, *CNA Torino* has hosted a mission of Moroccan craftsmen from Tamesloth (Morocco), within project supporting crafts that was promoted by Grugliasco's *Re.Te* NGO and financed by UNDP (United Nations Development Programme). The mission took place in order to allow some representatives from Al Islah Crafts Association and some delegates from the Economic and Social Development Association of Tamesloth, a small town about 20 kilometres from Marrakesh, to discover the economic and crafts situation throughout Turin's territory, as well as understand the initiatives carried out by public and private entities in the area aiming to support crafts, build connections with Italian colleagues, also in view of possible future business partnerships. The Moroccan craftsmen that took part to the project are members of Al Islah, a private craftsmen association that was created some years ago also thanks to the contribution of *Re.Te*, the Province of Turin and Piedmont Region. These craftsmen work with ceramics, wrought iron, embroidery and weaving. *CNA Torino* has actively contributed to prepare the mission and has organised a number of dedicated exchange, information and debate activities for the delegation.

Within this initiative, *CNA Torino* has organised the workshop "Products quality, process innovation, new markets identification: the challenges of Moroccan and Italian craftsmen and their Associations". During this workshop some craftsmen from CNA and their Moroccan colleagues had the opportunity to discuss how crafts products can improve their value through innovation, quality and local connections.

5.16 Training and management support

Turin's institutions have promoted different measures to support training and management.

The most meaningful instance is the *Fare Impresa* project, promoted by Turin Revenue Agency. The Project has established an actual school for aspiring entrepreneurs. The first lesson was held on the 22nd of February 2010. The class takes place on a monthly basis (two hours per month) and is split in modules. It deals with the most important practical issues for the new entrepreneurs' daily activity, from the setting up of the business to fiscal and social security obligations. A small guide for new entrepreneurs, containing the most basic information and contacts with the relevant public administrations, is given to participants. The project was supported also by volunteer associations in Turin area that deal with foreign people, such as Sermig, the Italian-Egyptian association Cleopatra and Turin's Caritas. Among other things, these associations are the bridge between the *Fare impresa* school and foreign entrepreneurs, since they collect subscriptions.

The Province of Turin's MIP service, which we have already mentioned earlier, also offers an important support to training and management for new entrepreneurs. After the first orientation period and after starting up the business, a tutoring service is offered. An expert tutor assists the entrepreneur for a maximum of three years. He/she helps controlling that the activity follows the business plan and helps facing problems. The tutor also assists in finding financing opportunities and facilities.

Lastly, following the initiative of Turin Federation of Crafts (CNA), the Azimuth Project was established, specifically supporting immigrant entrepreneurs.

The Azimuth Project offers a counter where foreign entrepreneurs can get assistance. The local counter (*Sportello Territoriale*) offers orientation and information also on supporting initiatives for already established businesses. It includes training initiatives for new entrepreneurs and the project description reads: "*training is a strategic factor that must be relied on in order to obtain an important entrepreneurship development, which is necessary for improving competitiveness in a more and more aggressive and selective market*"³⁸. Training sessions are held for all professional profiles within a business (owners, associates, assistants and employees).

5.17 Illegal and informal practices

³⁸ Source: www.progettoazimuth.it

Since some years, the Revenue Agency has been implementing measures to smooth information concerning its services and the different obligations for foreign citizens and entrepreneurs. A guide for foreigners was published and since some months users can download directly from the agency's website some of the forms in English. According to Councillor Ilda Curti (Integration Office), evasion among foreign taxpayers is very low compared to Italian taxpayers³⁹. So there seems to be no real evasion issue concerning foreign citizens in our area.

Many ethnic entrepreneurs have often complained about the high number of controls from local police authorities. This is particularly true for retailers, phone centres or small restaurants. For instance, a research conducted by FIERI and Turin's Chamber of Commerce in 2009 has shown that within a small sample of Egyptian kebab shop owners, most of them had undergone controls by health and police offices, although all of them claimed they hadn't had any problems following such controls⁴⁰.

It is worth mentioning some ethnic entrepreneurs' experience in Rome that, although not connected to Turin's territory, can offer a meaningful example of the situation in an Italian city. The Association of Foreign Entrepreneurs in Italy (*Associazione Imprenditori Stranieri in Italia*) was specifically created to contrast an INPS memorandum that was thought to be prejudicial to ethnic entrepreneurship's interests. The Association's first step was the participation to the proceedings promoted by the Progetto Diritti Association against Inps in order to have this memo cancelled for being discriminatory towards foreign entrepreneurs. The memo was issued in February 2009 and stated the need to "*foster surveillance with regards to businesses owned by ethnic minorities*".

5.18 Dialogue

As far as local administrations are concerned, the Integration Office actively facilitates the dialogue between ethnic associations and entrepreneurs and the other involved entities. It is an informal dialogue and refers to isolated cases that are followed directly by the Integration Office. During entrepreneurship orientation, the Integration Office has often created meeting occasions for immigrant citizens and institutions. Contacts have been made with some banks (Unicredit and Intesa-Sanpaolo) in order to fill gaps concerning the access to credit by immigrants, with the participation or assistance of the Integration Office.

The *Hatun Wasi* Association is one example. *Hatun Wasai* is an association of Peruvian women dealing with food distribution in the Pellerina Park. During the last months, the City of Turin has started a process of assistance in order to have the Association turned into a Social Cooperative, favouring meetings between the various members with banks or the involved supporting entities (MIP, Chamber of Commerce, etc.). The same applies for a project that was coordinated by *The Gate*, a local development agency, and the Integration Office, for establishing a social cooperative between the workers (mostly Moroccans) that assemble and

³⁹ Personal interview with Ilda Curti – 18th December 2009.

⁴⁰ FIERI and Chamber of Commerce, *I viaggi del cibo, il cibo dei viaggi*, Turin, 2009.

disassemble the Porta Palazzo market stalls, as well as bakers (Moroccan women) that every day sell bread on the streets nearby the market.

In all the above instances, local administrations have played a crucial role in seeking dialogue and coordination between the different involved entities and people, even though the process lacks formalization as well as an adequate publicity.

6. Other

6.1 Summary and conclusions

The city of Turin has recognised the growing importance of the immigrant population since the mid-1980s. Since then, policies have been developed in order to face the socioeconomic transformations resulting from the immigration process. Institutions awareness on ethnic entrepreneurship is quite recent and still developing. It doesn't exist a specific and planned political agenda on the issue and a single political referent of the Local Administration on ethnic entrepreneurship strategies seems to lack. However a diffused network of public, semi-public and private actors are involved in performing policies and programmes on ethnic entrepreneurs.

One of the most important characteristics emerging in Turin case study is the absence of policies promoted specifically for ethnic entrepreneurs. This means that the City Administration tends to consider ethnic entrepreneurship as being part of a more general entrepreneurship issue. The idea is not to underline any diversity or specificity of ethnic entrepreneurship considering migration as an ordinary phenomenon.

Therefore, the main strategy aims to strengthen the idea of a single group of entrepreneurship policies recipients, both natives or immigrants. In other words all the measures observed in the field-work are part of ordinary strategies of the local Administration to improve the urban economic development. Of course, policymakers know very well that, as a consequence of the growing number of immigrants residing in the city of Turin, the quota of foreign recipients of these policies is bigger and bigger. Therefore it's possible to argue that, at an unofficial level, Turin case study shows a quite strong and developing policies system on ethnic entrepreneurship issue.

As an evidence we can relate the zoning plan issue. The city of Turin was totally transformed during the past ten years and this ongoing transformation coincided with the period of greatest foreign immigration. The old areas where migrants from Southern Italy (Sicily, Calabria, Apulia and Naples) used to live are now inhabited by moroccans, romanians, albanians, chinese or peruvians. Also business activities, that were once owned by people from Southern Italy, have slowly made room for migrant-owned businesses. Today the historic market of Porta Palazzo is a meaningful example of this strong relation between specific areas and ethnic businesses. In such a context the City Authorities have decided to shape a zoning plan that respected also the evolution of the different populations that inhabited the different city areas.

Most of the policies are related to support ethnic businesses start-up, helping immigrants to evaluate their own business ideas, to apply for all the requirements and helping them in the biggest of the problems that is finance access.

Access to credit and financing for setting up and maintaining a business is one of the most important topics as well as one of the most critical points when drawing policies for entrepreneurs. In the current economic recession climate, where the SME sector is in decline and more and more businesses are closing down or going bankrupt, financial aspects are an extremely delicate and critical question. Many measures were adopted in Turin area to simplify the access to credit and financing for both Italian and foreign aspiring entrepreneurs. Nevertheless, in most cases migrants lack the material and financial assets needed to start up a business. As a matter of fact, the reason why many immigrants decide to create their own business is to improve their economic situation and be able to earn more than working as employees.

Financial support is promoted by both public (City, Province and Region Authorities) and private institutions. Microcredit is one of the most interesting and demanded opportunities, also by ethnic entrepreneurs.

Finally, we can summarize that Turin Local Administration is experiencing a strategy that considers at the same time integration issues, economic local development and urban regeneration perspective. In this strategy supporting ethnic businesses become an important aim for the present and future political agenda. As an evidence, the Porta Palazzo area experience, as widely showed in the report, shows a clear example of this political address. Similar projects on San Salvario area or Barriera di Milano area shows the purpose to go on with this idea. The way is long and only few steps were walked. Immigrants integration and ethnic businesses proliferation in Turin have to be considered also looking at the security issues daily stated by anti-immigrants parties like Lega Nord, which electoral agreement was increased in last local elections.

Finally, in our opinion, the most important lesson emerging from the Turin experience is the importance of a network of public and private actors and institutions working together to define and implement policies and programmes for ethnic entrepreneurship.

6.2 Good practices

Outlined below are some of the policies and programmes that are of merit in relation to encouraging ethnic entrepreneurship in Turin.

1. Turin Chamber of Commerce published in the last years a multi-language dictionary for future ethnic entrepreneurs called *Le parole dell'Impresa* (Business words). This guide is a glossary written in 7 languages, containing more than 200 words in 250 pages. The idea was by Chamber of Commerce and dictionary was realized with the contribution of CNA-Turin (Crafts National Association). The dictionary is in Italian, English, French, Arabic, Rumanian, Spanish, Albanian and Chinese. Eight thematic areas are part of the dictionary: the enterprise in general, rules and regulations, institute, bars and registers, tributes system, labor right, environmental and safety

regulations, marketing and finance of an enterprise. Also a list of public institutions and addresses is provided at the end of the dictionary.

2. Another measure deserving consideration, since targeting ethnic entrepreneurs, is the project *Fare Impresa - Istruzioni per i nuovi cittadini* (Doing business - User's guide for new citizens) promoted by the Revenue Agency, INPS and Turin Chamber of Commerce. The Project has established an actual school for aspiring entrepreneurs. The first lesson was held on the 22nd of February 2010. The class takes place on a monthly basis (two hours per month) and is split in modules. It deals with the most important practical issues for the new entrepreneurs' daily activity, from the setting up of the business to fiscal and social security obligations. A small guide for new entrepreneurs, containing the most basic information and contacts with the relevant public administrations, is given to participants. The project was supported also by volunteer associations in Turin area that deal with foreign people, such as Sermig, the Italian-Egyptian association Cleopatra and Turin's Caritas. Among other things, these associations are the bridge between the *Fare impresa* school and foreign entrepreneurs, since they collect subscriptions.
3. At the institutional level, a good practice is offered by a dedicated office. the *MIP service* (MIP means "*Mettersi In Proprio*", e.i. "to set up one's own business") is controlled by The Province of Turin and the Chamber of Commerce. These points of reference offer mainly orientation aiming to make the aspiring entrepreneurs aware of the connected risks and to assess the feasibility of the business, in order to avoid the creation of weak high-mortality businesses. MIP, in particular, offers both counselling and tutoring service. In the first case, dedicated to aspiring entrepreneurs, a first pre-welcoming phase is offered, followed by an actual welcoming and a third phase dealing with tutoring and business plan development. After a first telephone or e-mail contact, the interested persons are offered advice aiming to identify the critical elements of the project. After that, the office offers the support of a tutor who will assess the feasibility of the business and assist in formulating the business plan. The business plan will then undergo validation by the Province Administration. The MIP also offers update sessions. Entrepreneurs attend short trainings that complete the supporting path and give them useful skills for managing their businesses. As far as tutoring is concerned, assistance is proposed for a maximum of 36 months from the business start-up. This service is reserved to businesses that were created thanks to the above-mentioned path, that ended with the project validation by the Province Administration. Tutoring aims to accompany the new entrepreneurs during their first years, supporting them in assessing the business condition and in finding financing opportunities and facilities. After validation and start-up, successful initiatives can benefit from special facilities for both supporting the entrepreneur's income and covering start-up costs and investments.

6.2 Interview partners

Outlined below a list of partners interviewed during the field-visit:

Name	Organization	Function
Ilda Curti	Turin City Hall	Councillor for Integration and Urban Regeneration
Marisa Cortese	Turin City Hall	Councillor Ilda Curti Staff
Marco Manero	Province of Turin	MIP-service Director
Giulio Taurisano	Turin City Hall	Officer –responsible for immigrants associations area
Elisabetta Bergamasco	Turin City Hall	Economic Development Office Director
Elena De Ambrogio	Turin City Hall	Economic Development Office staff
Barbara Barazza	Turin Chamber of Commerce	Studies and Statistics Office director
Alberta Coccimiglio	Turin Chamber of Commerce	Studies and Statistics Office staff
Francesco Ciafaloni	Società Ricerca e Formazione/ Research and Training Society	researcher
Eleonora Castagnone	FIERI	researcher
Roberta Ricucci	FIERI	researcher
Barbara Chiavarino	CNA –Craft National association	officer
CGIL -Immigrant office	CGIL Trade Union	officer
Franco Roberti	CNA and Azymuth Project	director
Piemonte Region – Revenue Office	Revenue Association (Agenzia delle Entrate)	-
Egyptian entrepreneur	Restaurant and Kebab	entrepreneur
Peruvian entrepreneur	Restaurant	entrepreneur
Oswaldo Boy	Hatun Wasi Association	President
Nigerian entrepreneur	Food shop and phone center	entrepreneur
Argentinian Entrepreneur	Piercing and Tattoo shop	Entrepreneur

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