



European Foundation for the Improvement of Living and Working Conditions

Immigrant Entrepreneurship in the city of Turku, Finland



Author:

Rinus Penninx

Institute for Migration and Ethnic Studies

University of Amsterdam

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0. Foreword

This report is part of the Eurofound project “Cities for Local Integration Policy” (CLIP), which started in 2006. Turku is one of the 30 European cities that cooperate in exchanging information on their Integration Policies for immigrants. In the first round of city studies housing policies were the special topic (for Turku see Penninx 2007). In the second round Diversity Policy in Employment and Service Provision has been the comparative topic of research (for Turku see Penninx 2008). The third module studied Intercultural Policies and Intergroup Relations in the city (for Turku see Penninx 2009). This fourth module studies immigrant entrepreneurship in Turku and the city’s policy related to this.

The CLIP-project aims at collecting and analysing innovative policies and their successful implementation at the local level, supporting the exchange of experiences between cities, thereby encouraging a learning process within the network of cities and beyond.

The CLIP network involves also cooperation between cities and research institutes. Six research institutes collect the data for the cities, analyse these and report on their findings: efms in Bamberg, IMES in Amsterdam, ISR in Vienna, FIERI in Turin, IIS in Wroclaw and CMPR in Swansea in this fourth module.

The Institute for Migration and Ethnic Studies (IMES) of the University of Amsterdam is responsible for this report on Turku. Together with the contact persons of the city of Turku, Mikko Lohikoski, Maarit Tontti and Regina Ruohonen, I have collected the data for this report. During my field visit I interviewed many city officials, representatives of organisations that work in the field of Small and Medium sized Enterprises (SMEs) and stakeholders of civil society in Turku: see the list at the end of this report. Several of them also commented on earlier drafts: Elli Heikkilä, Jenni Heinonen, Josef Kohlbacher, Hannele Martikainen, Tuomas Martikainen, Jouni Marttinen, Patricija Matusz, Timo Metsä-Tokila, Regina Ruohonen, Heli Sjöblom-Immala and Maarit Tontti. I want to thank all of them for their time and efforts.

Rinus Penninx

July 26, 2010

1. Introduction

This fourth report on Turku's integration policies focuses on immigrant entrepreneurs in the city and policies of the city towards them. The module was prepared by a Concept Paper by Jan Rath that brings together the existing knowledge on the topic. On the basis of that Concept Paper a questionnaire was prepared for the cities, covering essentially three clusters of questions. The first cluster focused on the characteristics of the urban economy in general since 1980. The second cluster asked question about the specific profile of immigrant entrepreneurs. And the third cluster of questions related to rules, regulations and policies of national authorities and cities.

In the collection of data and during the field visit we have followed the methodology as much as possible, but in the context of Turku some improvisation was necessary. Immigrant entrepreneurship has not been part of neither national nor local integration policies in Turku and Finland in any significant way. This finds its expression in a lack of data on the phenomenon and a remarkable absence of studies on the topic in Finland in general. This is certainly to a great extent due to the relative recent nature of immigration in Finland and Turku.

In a few organisations that work in the field of service provision for SMEs and in the field of Urban and Regional Economic Development in general, there are the first signs of specific attention to immigrant entrepreneurs as part of the clientele/target group. The city itself is indirectly involved in these initiatives, but is not the motor of it.

In the absence of statistics and systematic studies, also the general knowledge of the field among those who are not directly involved functionally tends to be stereotypical: the obvious reference to the observable pizza-kebab, Chinese-Thai restaurants and Thai-massage parlours and the associations that go with them. That is why we have chosen the strategy to interview those who are somehow directly involved: the entrepreneurs themselves, the experts that provide services and support and the brokers that connect them with official institutions.

2. Background information on the city and its integration policy

2.1. Structural data of the city

Turku is an old city, going back as far as the 13th century. Situated in the South-West of the present Finland, at the shore of the Baltic Sea where the river Aura (Aurajoki) goes inland, it developed as a trade town (Nordstat 1999). It was the capital of the province of Finland, i.e. the residence of the Governor, under the Swedish rule until 1809 under the Swedish name of

Åbo. After Russia annexed Finland in 1809 Tsar Alexander moved the capital of the new 'Grand Duchy' of Finland to Helsinki in 1812. Traces of the Swedish and Russian reign are still to be found in the city.

Industrialisation in Turku began in the 18th century during the Swedish rule, particularly the ship building industry and during the 19th century, many new industries sprung up in the city, such as the brewing industry. The rapid industrialisation resulted in the first significant relocations from rural areas to Turku. Around 1900 Turku had about 42,000 inhabitants.

The city's profile has changed significantly in recent decades. Its population has grown to 176,087 inhabitants as of January 1st, 2010. Spatially, the city has expanded by building residential areas around the old city, particularly in the 1970s and 1980s. Economically there was also a profile shift: although the harbour and ship building are still important economic activities, there has been a major shift from manufacturing (a decrease from more than 25,000 work places in 1987 to less than 15,000 in 2004) to services (an increase from 26,000 in 1987 to 34,000 in 2004). Turku has specifically aspired to become an internationally renowned centre for bio-technical research and business. Many biotechnology companies in Finland are located in the Turku region.

Turku is also the centre of a Finnish Maritime Cluster, at the heart of which are the former Aker shipyards in Turku – recently taken over and renamed STX Europe - where the biggest luxury cruise ships in the world are built. STX Europe and its subcontractors in and around Turku presently employ thousands of foreigners. Their exact number is not known: many of them come from new EU member countries on work contracts for shorter periods with foreign subcontractors. In these cases they are not registered officially in Turku.

Furthermore, Turku is an important university city: its universities (University of Turku, the Turku University of Applied Sciences, Åbo Akademi University and the Turku School of Economics¹) together have some 35,000 students and attract also significant numbers of foreign students. The annual average unemployment figure for Turku for 2007 was at a level of 9.4 percent², i.e. on the decrease and the economic labour market prospects were deemed positive in the beginning of 2008 (Turku Annual Report 2007, 6). However, the global financial crisis of 2008 and its aftermath have brought a new economic recession: in the beginning of 2010 unemployment for Finnish had gone up to 10 % and of immigrants to 33 %.

The present physical structure of the inner city is strongly determined by the great city fire of 1827 that destroyed the predominantly wooden buildings of the old city almost

¹ As per 1 January 2010, the University of Turku and the School of Economics merged.

² The percentage for native Turku residents was 8 %, while that for immigrants amounted to 26 % (City of Turku 2008).

completely. The city was rebuilt according to a grid pattern of rectangular blocs in which the relatively broad streets should prevent raging fires. The rebuilt wooden houses have been replaced nowadays - within the grid - by buildings and blocs of stone and concrete.

This 'old town' is the commercial centre of Turku and houses a mixed population of all classes, including many students. The wealthiest residents are to be found in the city centre and on the islands to the south where many new high-quality residential areas are located. The less well-off population lives in the areas east and west of the city grid. The poorest areas are located close to the municipal borders, some 5-7 kilometres from the centre. The western side of the city has a large shipyard. The Turku harbour (cargo and passenger ferry traffic) is located adjacent to the centre (southwest). To the north of the old town centre, there are vast areas of fields and forest. Turku Airport is located north of the city.

The City of Turku is part of several larger units in Finland. First of all, the city is the centre of the Turku Region, a strip of urban areas running parallel to the coastline. The city of Turku is located vertically in the middle of this strip. The length of the city area from north-south is approximately 40 kilometres, while the widest part of the city (east-west) measures only 10 kilometres. The seven neighbouring municipalities of the Turku Region are small (2,000 - 24,000 residents). They are very dependent on the jobs and services available in the city of Turku.

The percentage of immigrants in neighbouring municipalities is much lower than in Turku, although these neighbouring municipalities have grown more in recent decades than Turku itself.

The next level is that of the County in which 28 municipalities of the South-West region of Finland are brought together. The Regional Council of the County is momentarily relevant, because it makes development plans, including immigration planning for the region. The city is a prominent partner in the latter respect, since it houses 68 % of all immigrants in the region.

Graph 1: The foreign language speaking population in Turku in 2005.



2.2. *History of municipal migration and composition of migrant populations*

The number of immigrants in Turku was insignificant until the early 1990s, but increased afterwards (see Graph 2). Table 1. below indicates the numbers of immigrants for which the Immigrants' Office of the city had direct responsibility: refugees and Ingrian returnees. Within the refugee population of Turku Iraqis and Kosovar Albanians are somewhat over represented (compared to the national picture), while there are less African refugees.

Not all of the 6,394 refugees and returnees in table 1 have stayed in Turku. On the other hand there are other categories of newcomers in Turku, such as foreign workers (in the

Graph 2: The number of immigrants in Southwest Finland 1980-2008.

Based on language (other than Finnish or Swedish): red; on nationality (non-Finnish passport): blue. Source: Jouni Marttinen (2010).

shipyards and recently also in the booming construction industry), highly skilled workers (in the bio-technical industry for example) and foreign students. No exact figures for these categories are available, but several informants report that their numbers have been growing recently. A figure of some 1,800 foreign workers employed in some major industrial enterprises is mentioned, but such a figure excludes the seasonal construction workers, mostly from Estonia. Nevertheless, immigrants with a refugee/returnee background form a dominant segment of the immigrant population in Turku. It is also that part of the immigrant population that clearly dominates the policy field of integration and its facilities in Turku.

As stipulated by the national Integration Act the municipality has special responsibilities for admitted refugees and Ingrians. Such migrants arrive by decision of the Directorate of Immigration³. The Immigrants' Office of the city makes personal integration plans in cooperation with the local labour office (the Regional Employment and Economic Development Centre). The Ministry of Labour pays the city a lump sum for the reception services. The work for immigrants (their work, education, housing, health, etc.) within Turku is coordinated by the immigration co-ordinator. The coordinator has been relocated since 2008 from the Immigrants' Office of the Social Welfare Office that implements the reception services for the immigrants, to the central department of Strategy and Communication (which is one of the four central departments that report directly to the Mayor).

Table 1. Refugees and Ingrian Returnees received by the Immigrants' Office in Turku: 1987-2009.

	Refugees (direct)	Family Reunion	Others (indirect)	Ingrians	Total
1987	50				50
1988	64				64
1989	46				46
1990	133	22			155
1991	104	4			108
1992	169	23	16		208
1993	114	38	37		189
1994	73	41	24	127	265
1995	85	36	70	129	320
1996	80	29	39	143	291
1997	103	28	116	175	422
1998 ⁴	127	40	272	149	594

³ Recently the department was renamed as Finnish Immigration Service (Maahanmuuttovirasto).

⁴ As of 1998 the total also includes births to immigrants in these categories.

1999	115	17	95	82	309
2000	61	13	163	122	359
2001	134	45	185	86	533
2002	81	49	185	63	378
2003	25	22	230	38	315
2004	56	18	121	34	229
2005	36	48	199	40	323
2006	40	47	220	38	345
2007	46	90	97	51	311
2008	55	60	107	46	294
2009	55	52	140	29	276
Total	1852	722	2272	1352	6394

Data provided by the City of Turku.

As in the case of Finland as a whole, the immigrant population can statistically be described in several ways. If we take the criterion of nationality 4.7 % of the Turku population is 'alien' as of January 1st, 2010 (8,237 foreign citizens residing in Turku).

When using Immigrant Background (based on country of birth outside Finland) the percentage rises to 6.7 % (in 2007). This means that Turku as a city has about twice as much immigrants as the national average. (Turku has the second largest proportion of immigrants in Finnish cities, after the Helsinki Metropolitan area).

Table 2: Population of Turku in 2010 by nationality.

Population in Turku 31.12.2009	by nationality
Total	176,087
Finnish	167,850
Russian	1,109
Estonian	897
Iranian	535
Iraqi	486
Total Non-Finnish	8,237
Total Non-Finnish: percentage	4,7 %

Data provided by the City of Turku.

Table 3: Population of Turku in 2010 by mother tongue.

Population in Turku 31.12.2009	by Language
Total	176,087
Finnish	154,350
Swedish	9,249
Russian	2,562
Arabic	1,312
Kurdish	1,121

Albanian	1,042
Estonian	800
Somali	663
Vietnamese	488
English	503
Total Non-Finnish-non-Swedish	12,485
As percentage	7.1 %

Data provided by the City of Turku.

If the criterion of first or home language is used, 7.1 % of all inhabitants of Turku have another language than Finnish or Swedish as their mother-tongue. Swedish home language speakers comprise 5.3 % in Turku.

2.3 Municipal migration and integration history and policy development

Although Turku received refugees from 1987 on and Ingrians since 1994 (see table 1), the first policy document, the City of Turku immigrant integration programme, was approved by the City Council only on 19 November 2001. Since this programme (required by the national Integration Act) did not include concrete measures, the council nominated four working groups on a) Immigrant children and youth; b) Training and employment; c) Collecting information, and d) Housing. The reports, delivered in 2003, included measures that had to be implemented by the various departments of the city that carried responsibility for that particular topic⁵.

The various departments of the city have reported annually to the City Council on the development of the measures proposed by the four working groups in 2003. The immigrant integration programme of the city was evaluated by the City Council on January 12, 2007, as part of an evaluative exercise that is planned every five years. The evaluation has led to a new policy document for the coming period: the “City of Turku Immigrant Integration Programme 2007-2011, dated August 15, 2008 (City of Turku 2008). The programme includes the integration services for various immigrant groups and sections of them (children, youngsters, working age immigrants, women and elderly immigrants) and the cooperation with the various authorities and immigrant associations.

More specifically four key themes or aspects are formulated for integration policy in the period till 2011:

- key and critical age groups in terms of integration: young children and youngsters

⁵ Up till now three aspects of Turku integration policies have been studied in CLIP-reports: the first on Turku housing policy (Penninx 2007), the second on diversity policy in employment and service provision (Penninx 2009) and the third on policies to influence intergroup relations in the city (Penninx 2010).

particularly;

- critical components of services and solving the problems encountered in them;
- development of initial immigrant integration procedures;
- influencing the residential concentrations of immigrants.

The integration programme outlined the following activities – mentioning what department was responsible for its implementation – as key activities:

1. Development of Finnish language instruction and other instructions: by the School Service Centre;
2. Supporting the integration of disenfranchised youths through vocational instruction;
3. Initial integration, by the Social Services Department;
4. Supporting the integration of small children by the Municipal Health Department and counselling clinics;
5. Co-operation with immigrant organisations by the Turku City Office (where the coordination of integration policies was relocated);
6. Influencing the residential concentrations of immigrants by the Deputy Mayor of Environmental Affairs.

Immigrant entrepreneurship has until now not been on the agenda of policy making related to integration of immigrants: it is not mentioned in any of the documents referred to above. (It does not mean that nothing happened in this field; a number of activities are done as part of the facility structure for Small and Medium sized Enterprises in the city and region, as we shall see later).

Integration is seen as part of normal administrative committee service operations. It requires co-operation between administrative committees and other actors, clearly defined appointments of responsible parties and, above all, municipal-level co-ordination. The relocation of the coordination function in the department of Strategy and Communication within the City Office, directly under the Mayor should reinforce cooperation and coordination. Furthermore, the City Board decided to institute centralised municipal integration funding (in 2007 EUR 160,000) within the central administration. A budget for its allocation is made every year and approved by the City Board. Integration funding is allocated to initial integration procedures (Finnish instruction, guidance) for immigrants in the integration phase.

The City Council also decided to use an integration index in order to monitor the effects of the integration measures. This index includes three main standards of measurement: the secondary education level of the immigrant youngsters, the (un)employment of immigrants and their level of income.

On the regional level, the regional immigration plan of Southwest Finland, ”Monikulttuurinen Varsinais-Suomi”, was approved in autumn 2007. The Employment and

Economic Development Centre for Southwest Finland, the Regional Council of Southwest Finland, the Southwest Finland Centre of Expertise on Social Welfare, Finland Future Research Centre of Turku School of Economics, the cities of Turku and Salo and other stakeholders have participated in the preparation of the plan. The objective was to promote work-related immigration, to strengthen the participation of the immigrants and to develop services needed by the immigrants. Six specific tasks were identified: 1) Promoting work-related immigration; 2) Employment of the immigrants and utilization of their skills; 3) Promoting integration of the immigrants to be members in Finnish society; 4) Developing humanitarian immigration (refugees et cetera); 5) Increasing the attractiveness of Southwest Finland as a place to move to, to live and work; 6) Strengthen structures that promote active immigration policy. Because of the economic recession the immigration themes (1 and 6) have not been in focus during the 2,5 years since the report was published.

2.4 Responsibility: elected representatives and officials

Within the city of Turku the institutional setting of the administration has been reformed over the past 15 years. The old administration was based on strong public power, whereas the new administration is built on the idea of a consolidated municipality according to the market economy ideal. The new system is quite complicated, the basic structure being as follows.

The political authority rests with the City Council, consisting of 67 members that are elected every four years⁶. In the most recent elections one member of (Somali) immigrant background was chosen as councillor (for the Green Party)⁷.

The Council meets every three weeks. The City Council in its turn elects from its members – after local elections – the City Executive Board, consisting of 13 members and representing all major parties. This Board meets every week; only the chairperson is working full time on this job; other members work part time. The City Executive Board has eleven specific Boards that steer the work of specific fields: Board of Health, Municipal Social Welfare Board, Educational Board, etc. The most important person in the executive part of the organisation is the mayor: he/she is nominated by the City Council, not from its members, and for a period of time that is longer than four years⁸. The mayor is supposed to be and act above parties. He heads the 'City Office' in which some 300 officials work under the generic

⁶ In the present Council nine political parties are represented. The Coalition Party is the largest (20 seats), followed by the Social-Democrats (15), the Green Party (11) and the left Union (10). The True Finn Party won 2 seats in the last elections, but one of the elected councillors left the party. The Blue and Whites of Finnish People has one seat in the Council (www.turku.fi).

⁷ Several other parties had candidates with immigrant background on their lists, but only one actually made it. Some others, however, do participate in committees for city policies.

⁸ The present mayor of Turku, Mikko Pukkinen, is in office since January 1st, 2006, nominated for a period of seven years. He is not from Turku, but has substantial political experience in the Coalition Party.

headings of 1) Administration, 2) Finances, 3) Human Resources, and 4) Strategy and Communication. The mayor prepares all plans and presents them to the Executive Board.

One step further down to execution of policies are three major sectors, each headed by a deputy mayor (who are full time, professional executives), also nominated by the City Council, not from the City Council itself. Each of them is responsible for a sector that comprises several departments:

- 1) the Sector for Services (including Health, Social Welfare, Cultural Affairs, Sports, and Youth Affairs);
- 2) the Sector for Competences and Business Development (including Education, Vocational Education and the Turku University of Applied Sciences);
- 3) the Sector for Environmental Affairs (including Real Estate, Technical Services, Environmental Protection and City Planning, Harbour and Waterworks).

Each of the deputy mayors has a number of 'Boards' for specific fields. The administrative units operate to a great extent independently (accountability). This has intensified an inward-orientation. This had consequences for integration policies. These policies were until recently coordinated by the Immigrants' Office, located within the Department for Services within the Social Welfare section. That implied, as we have seen in the earlier reports on housing and on diversity, a long administrative route towards other relevant departments and their relevant sections. In 2008, in connection with the new Integration Programme till 2011, the City Executive Board decided that immigrant affairs and policy coordination would be placed under the City Office, led by the Mayor, under Strategy and Communication. The implementation of this decision, however, has not been followed through. In May 2010, the same City Executive Board decided, as part of a general organisational reform, that the responsibility for Immigration affairs and policy coordination should be transferred from the Mayor to the Deputy Mayor for Services. However, the responsibility for practical implementation is not clearly defined within the City Office staff, which continues to hamper the development of coordinated efforts in the field of immigration.

3. The economy of the city of Turku

3.1. Historical development of the urban economy

The city of Turku is a typical economic-administrative centre with a diverse economic structure. The city is a versatile centre of culture and education, it has a strong economic basis of production for export and Finnish markets, it is logistically a (harbour) gate for international trade and transport, and it is a regional centre trade and services.

In terms of employment, manufacturing and services grew hand in hand in Finland until a period of de-industrialisation started in the 1970s. Another break in the economic and structural development in Finland occurred in the early 1990s, when a fundamental economic crisis hit the country. Some 20-25% of existing jobs were lost in a couple of years. That crisis triggered structural change again in almost all regions in Finland that continued during the years of economic recovery (1994-2008): first there was an early period of re-industrialisation (1994-2001) that was followed by another phase of de-industrialisation, but now without a total decrease of job opportunities. At the national level this economic recovery was also expressed in a continuous decrease of general unemployment from 17 % in 1994 (53 % for foreigners), to 15 % in 1996 (48 % for foreigners), 11 % in 1998 (39 % for foreigners), 9 % in 2001 (31 % for foreigners) and 8 % in 2006 (24 % for foreigners)⁹. The County of Southwest Finland (and its capital Turku) is one three counties where the number of employed has exceeded the pre-crisis level of employment.

The general development sketched above for Finland thus holds also for the case of Turku. An important specific characteristic of Turku, however, is that shipbuilding has been the engine of industrial growth, accompanied by metal engineering, electric apparatus, textile and garments and food & drinks manufacturing. Also chemical and medical industries made a breakthrough during the 1960s and 1970s. The mid-1970s were the culminating point of employment in manufacture in Turku. Employment started to decrease thereafter in all branches of manufacture, except the chemical and medical industry. During the years of recovery, metal engineering and shipbuilding strengthened substantially in the Turku region and in the city as well. General unemployment in Turku decreased, parallel to the national development outlined above, to a lowest level of 9,4 % in 2007. It is only after the financial crisis of 2008 that unemployment in Turku has risen again to 10 % in general and 33% for foreigners. (The number of registered unemployed in Southwest Finland increased from a low level of some 15.500 at the end of 2007 to nearly 25.000 at the end of 2009 (Varsinais-Suomen ELY-keskus 2010: 1)).

3.2. Main industries and services

Services employ two thirds of the all employed in the Turku region as well as in the city itself. The share of industry is about a quarter and circa one tenth of the employed work in the construction sector.

Health and social services, trade and education are the largest branches in terms of employment, followed by logistic services. Business-to-business services have shown an

⁹ Data based Statistics Finland, Ministry of Labour, presented by Elli Heikkilä in a PP-presentation "Integration of immigrants in the recession time – and comparisons to better economic times", Nordisk Ämbetsmannamöte, Ministry of the Interior, 29.9.2009.

extensive growth during the years of recovery. The increase of these services has been linked to the growth of shipbuilding and the metal engineering industries which are the main manufacturing industries in Turku today.

3.3. Size of the workforce

The size of workforce is about 150,000 in the Turku region. Some 89,000 of these live in the city of Turku itself. Graph 3 makes clear that employment rates of immigrant are low, particularly when it comes to immigrant groups that have come to Finland as refugees or asylum seekers.

Graph 3: Rate of employment by language in Turku region (2004)

Left to right: Swedish, Finnish, All, Estonian, English, Chinese, Vietnamese, Russian, Persian/Farsi, Albanian, Arabic, Kurdish, Somali.
Source: PP-presentation Jouni Marttinen (2010).

3.4. Characteristics of the workforce

The number of immigrants started to increase very rapidly in the early 1990s and Turku has been one of the most popular destinations for immigrants in Finland. As we have seen the number of foreign citizens grew to 8,237 in 2010 and measured by language the total number of people speaking another language than Finnish or Swedish as their mother tongue amounts to 12,488. This has meant an increase in immigrant workforce as well. Today the number of foreigners in the total workforce is estimated at about 4,000 in Turku. Measured in terms of (non-Finnish and non-Swedish home) language, their number is about 5,000. The most important immigrant groups are Russians, Estonians and immigrants from Islamic countries like Iraq, Iran, Albania and different regions in former Yugoslavia.

Immigrants are mainly employed in services. Two thirds of them work in services, 20% in manufacturing and 10% in construction. Most typical occupations are restaurant worker (pizza/kebab), cleaner, salesperson (in ethnic shop). These same occupations are also the occupations through which they enter the Finnish labour market.

Employment within the immigrant population increased rapidly in 2004-2007. Their situation, however, worsened since the end of 2007. Unemployment started to grow then – one year earlier than for the Finnish population. The unemployment rate of immigrants has increased since then by 10 percent. The general unemployment rate within the Finnish population is now about 10% and 33% among immigrants. Within immigrant groups, unemployment is strongly correlated with age: for young immigrants it is 25% and for the elderly (above 55 years) it is more than 60%.

3.5. Development of small and medium sized businesses

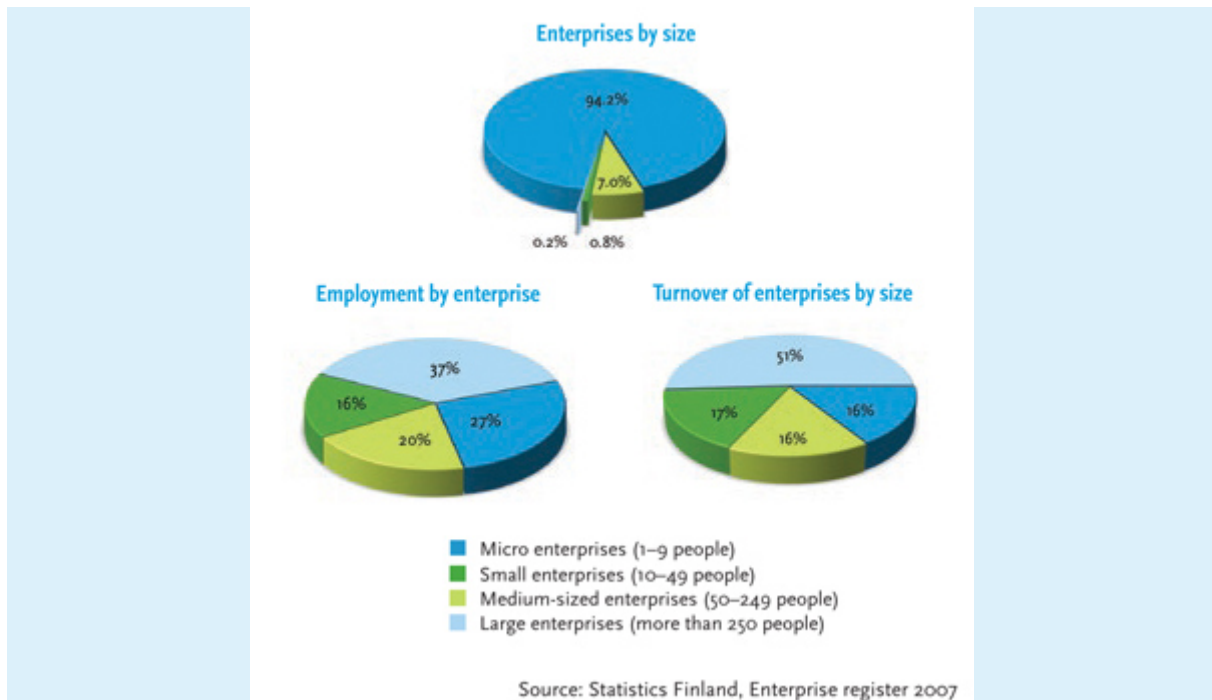
SMEs have increased in Finland since the 1980s. According to 2007-figures of Statistics Finland (based on the Enterprise Register), Finland has a total of 253,000 enterprises (excluding agriculture). Of these enterprises, 99,7 % are SME's, employing less than 250 employees. 93 % had fewer than 10 employees. 154,000 entrepreneurs work as self-employed "sole traders", not employing others. (Nearly one third of the entrepreneurs are women, which is comparatively high in Europe).

The role of SMEs in Finnish employment and economy is rated as significant. That is indicated by the fact that 62 % of all employees in the private sector work for SMEs employing less than 250 people; their companies generate 49 % of the total turnover of all businesses; they stand for 13 % of all Finland's export revenues (Website of the Federation of Finnish Enterprises: http://www.yrittajat.fi/en-GB/federation_of_finnish_enterprises/about-ffe/).

These figures may look impressive in themselves, but in a comparative perspective it turns out that the percentage of employers and self-employed is relatively low, which is all the more surprising since – according to the Federation of Finnish Enterprises – entrepreneurship is held in high esteem in Finland.

The number of SMEs has increased annually by some 2 – 4 percent in the 2000s. The trend continued in Turku in 2009 too. Starting a new firm is often a reaction to worsening employment chances in the regular labour market, but if the crisis last long it is expected that new start-ups will decrease.

Graph 4. Enterprises in Finland in 2007 by size, employment and turnover.



Source: Website of the Federation of Finnish Enterprises: http://www.yrittajat.fi/en-GB/federation_of_finnish_enterprises/about-ffe/).

3.6. Sector and spatial distribution of SMEs

The picture of SMEs in Turku does not differ essentially from this national picture. It is a very typical city in Finland in this sense. Traditionally SMEs have had an important role in the industrial structure of the Turku region. The 1980s and partly the 1990s were decades of revitalisation of the SME-sector. However, in the 2000s the number SMEs and the number of workers employed by them increased further but their share of the total turnover and output didn't grow anymore. In the case of Turku employment in SMEs increased only in such important industries as metal engineering, shipbuilding, construction, logistics, restaurants and trade as well as the manufacturing as a whole. The role of SMEs in newer services is strengthening though. In many cases the reason for this growth is expanding outsourcing – by private and public actors. Nowadays, urban service activities are mainly SME-based and they are active for manufacture as well as for the social and cultural sector.

In terms of spatial distribution there has been a thinning of services in the city centre and an extensive growth of 'urban services' in mega-markets on the outskirts of the city.

3.7. SME-policies in Finland, Southwest County, the Turku region and Turku

To understand Turku policies related to SME's we need to take several levels into account. In the first place, there is a specific *national policy* to stimulate business. National policies towards SMEs are presently within the Ministry of Employment and the Economy¹⁰. This ministry has developed policies to stimulate SME's, particularly new start-ups, already for some 20 years. It has created in the course of time some regulations that are important for SMEs in general and for immigrant entrepreneurs. A first important measure has been a regulation that stipulated that unemployed who wanted to establish themselves as entrepreneurs can get financial benefits (of nowadays about 700,- euros a month) during the first period of starting up their business. This is commonly called 'start-up-grant'. To get such benefits a business plan for the new enterprise has to be made and accepted. The benefits can be extended two times by 6 months, so up to maximally 18 months (for which each time a positive opinion on progress is needed). Some five years ago, the regulations was broadened in the sense that also starters who are not unemployed, may receive the start-up benefits. The regulation is used extensively, it seems: a consultant from Potkuri stated that this Business Advice Centre produced 414 'statements' (i.e. documents that are necessary to get the benefits)¹¹.

A second important measure of the ministry is on financing businesses. The Ministry of Employment and the Economy has a special financing fund, called Finnvera. The website describes its status as follows: "The state-owned specialised financing company Finnvera plc improves and diversifies the financing possibilities of the companies through loans, guarantees and export financing services. (...) Finnvera complements the financial market and its operations promote the development of business activities, regions and exports" (www.tem.fi downloaded 2-2-2010). The specific group of immigrant entrepreneurs is not mentioned on the website, but it has become clear from interviews with consultants of Potkuri and from immigrant entrepreneurs themselves, that the fund can be used and is used by immigrant entrepreneurs too. It is not clear how frequently immigrants are able to receive Finnvera loans or guarantees for financing their business, but my impression from different interviews is that it is not used/received frequently.

Thirdly, the ministry is reported to be active in financing educational activities and courses both for starting and for established entrepreneurs, including special courses for

¹⁰ The former Ministries of Trade and Industry and of Employment and the Economy merged in the beginning of 2009 under the new name of the ministry. The combination of labour market and economy in one ministry is – in European comparative view – rather exceptional. The advantage is having the combination within one ministry is that possible contradictory motivations for policies on immigrant entrepreneurship (the economic growth argument versus the social argument of creating employment) are more easily reconciled.

¹¹ One of the researchers on immigrant entrepreneurship remarked that the 'start-up-grants' are not automatically granted. They are harder to get for entrepreneurs who start a business in branches with high competition, like the restaurant business. Many immigrants operate in that sector. Furthermore, to receive the grant one has to have experience in business or one has to participate in an entrepreneurship course (mainly organised in Finnish language only). Some immigrant entrepreneurs have profited from an ESF-funded project in the Eastern Turku region to start a business.

immigrant entrepreneurs. This is done nowadays mostly through the Regional Centres for Economic Development, Transport and the Environment (ELY-Centres: see below).

Although no explicit policy documents have been produced at the national level relating to immigrant entrepreneurship specifically, the topic has been on the agenda of a 'Taskforce for Promoting Immigrant Entrepreneurship' installed by the former Ministry of Trade and Industry that produced a report on the 'current situation and proposals for measures' (Ministry for Trade and Industry 2007). The summary of the report states: "Since most immigrant businesses are sole traders or micro businesses, promoting the opportunities for this business category as a whole constitutes the main method of encouraging immigrant entrepreneurship. On the other hand, more focused measures are called for to increase immigrant business activity, strengthen business skills and capacity and enhance the competitiveness and growth aspirations of existing businesses".

The summary continues by stating: "The task force proposes 13 measures, some of which can be implemented directly and some are subject to further preparation and investigation. Measures were reviewed in terms of general operational prerequisites for immigrant entrepreneurship, and in terms of advice, training, funding, research and provision of information. Development of the current business support system, rather than creation of new services, should form the cornerstone of any promotional measures. Service concepts should be employed more effectively and tailored to meet the needs of immigrant businesses. Proven operational models, such as the NYP business services in the Helsinki metropolitan region and the business service models in the Kotka–Hamina region are to be employed more widely."

The task force concludes that the Government should continue its efforts to promote immigrant entrepreneurship in the long term and proposes that an immigrant entrepreneurship council be set up to continue the task force's work." (Ministry for Trade and Industry 2007: 77). The report, however, does not seem to have been followed up by new policies: I did not find any reference to a Council for Immigrant Entrepreneurship, nor other follow-up measures (also not by any of my informants for this study).

This brings us to *the regional level* and its policies. A very recent regional administration reform (Ministry of Finance n.d.) started in 2007 has created by January 1st, 2010 in Finland 15 Regional Centres for Economic Development, Transport and the Environment (ELY-Centres (ELY-Centres) that bring together different former regional institutions in the fields of a) Business and Industry, labour force, competence and cultural activities, b) transport and infrastructure, and c) the environment and natural resources. The Centres actually bring together the regional activities of six different national ministries. One new ELY-Centre is located in Turku to serve the southern part of the County of Southwest

Finland. Each of the ELY-Centres has three major departments that cover the fields mentioned under a, b and c above. The Turku ELY-Centre employs some 400 people to fulfil its comprehensive tasks of regional planning (including EU-funds for the region) and channelling the measures and facilities of the national level described above to local organisations and institutions. For our study the department of Business and Industry, labour force, competence and cultural activities of the ELY-Centre in Turku is the most important. With regard to immigration and immigrants, the ELY-Centre has a coordinating tasks in steering immigration and immigrant policies for the region, it steers the Employment Offices and it is active in the organisation and financing of educational facilities (including for immigrants) . ELY 'buys' training courses that are implemented by several local organisations, such as the Adult Educational Centre and Vocational Training Institutes. ELY has an annual budget of 22 million for training, of which some 3 million is spent on training for immigrants. ELY finances general Civic Integration Courses for immigrants (whose participants are sent by the Employment Office or the Turku Regional Business Service Centre Potkuri). ELY also plans to finance courses on the basics of entrepreneurship in the near future.

When it comes to the *local level of Turku and surrounding municipalities* other institutional partners come (potentially) into play. Firstly, there is the Turku Region Development Centre, which is an organisation that promotes regional development for eleven cities/municipalities near Turku. Its tasks comprise among others the promotion of entrepreneurship and marketing for such entrepreneurs of the eleven cities and attracting foreign companies to the region. International projects of cooperation (among others with St. Petersburg, Poland and China) and promotion of Friendship Relations abroad are an important part of their task. In such activities the creative industry (design in industry) is one of the spearheads in terms of content. Immigrant entrepreneurship as such does not play a remarkable role in its work and activities.

This is quite different when it comes to the Turku Regional Business Service Centre Potkuri. This organisation was established in 2005 as a close cooperation of eight different organisations in Turku and its direct vicinity that were all active in assisting and advising entrepreneurs, but in different segments or different localities. The idea was to establish a one-stop-shop for services to entrepreneurs, free of charge. The 16 employees of Potkuri come from the 8 organisations (and are still paid by them). Potkuri's tasks are to give service and advice both to established companies and to starting entrepreneurs (five persons are working on start-ups only); to advise on innovation and (help to) register patents; to give advice on training of entrepreneurs and work together with training centres on this; to help entrepreneurs to go to international markets; to assist with registration of new companies, to advise them on tax matters (by someone of the tax office that is present in Potkuri), etcetera.

In 2009, Potkuri reports to have registered some 1500 customers and 782 new start-ups (of which an estimated 15 % immigrants). Potkuri may also make 'statements' (on the quality of plans of immigrants entrepreneurs and their progress in implementation) for the Aliens Police (necessary if they do not yet have a guaranteed residence status) and to Finnvera (when an application is made for a loan) or for applications to receive 'start-up benefits' (see above).

Finally, two educational institutions should be mentioned here, because they are relevant for immigrant entrepreneurs at the local level of Turku and direct surroundings. Firstly, there is the Turku Adult Education Centre, once founded by the city of Turku but now having an independent status. The educational work of its 200 employees is funded by governmental and private agencies for specific educational tasks such as training unemployed, monitoring apprenticeships, re-training, but also basic language courses. These language courses are particularly but not exclusively for refugees and unemployed immigrants for whom a basic course runs for three to four months against a standard payment of 3000/35000 each. Courses are given on four different levels, including an academic one. Twenty five teachers are involved in this work on a permanent basis.

Apart from a long tradition and experience in teaching Finnish language courses, the Centre also developed specific courses for starting entrepreneurs since nine years (paid by the government of Southwest Finland). These 15 evenings lasting introduction courses have attracted many participants, strongly helped by the fact that they were free of charge for the students, but also by the fact that the certificate it yielded was generally accepted and often even required. Annually there are three to four courses, having 90 students each and immigrants have started to participate. For the year 2010 the planning (i.e. agreement on financing) is that there will be 5 courses, having some 450 students, of which an estimated 50 are immigrants. The Centre also has specific training courses for starters in specific branches: recently there was a course for aspiring taxi-drivers who planned to get a license for a taxi-company. This course costs 1400,- euro for the individual participants and it actually prepares for the test that has to be done with the relevant authorities for such licenses in Helsinki. Some 6 or 7 immigrants also participated in the course (often bus drivers that want to establish themselves in the taxi-business).

The Adult Education Centre of Raisio, a neighbouring city in the Turku region, has a comparable rich tradition of giving language and Civic Integration Courses as its Turku counterpart, but is smaller (50 employees, 13/14 of them working specifically for immigrants). It has organised its language courses in four consecutive modules (that take a year in total). Passing module 3 is supposed to be sufficient to pass the national Finnish citizenship test. Module 4 is on-the-job training.

Interestingly, the Centre has recruited (mainly from its module 3 participants, but not exclusively) some 21 immigrants for whom it is organising now a specific "Business

Incubator Course”. The basic idea is that all have the same common goal of establishing (and in some cases changing to) a well prepared and well founded business. This entails that they will have some basic common elements in the course, like learning to make a solid business plan, but also specific elements that pertain to the specific business they have in mind. The Centre has acquired funding for this course of a year directly from the Ministry of Business and the Economy. The teachers expect this kind of advanced and intensive and tailor made course will help immigrants to establish solid and profitable enterprises, although they realise that after the course the aspirant entrepreneurs still will have to go through many procedures (possibly helped by Potkuri) and, most importantly, have to tackle the difficult problem of getting finances (loans) for their business.

4. Profiles of immigrant entrepreneurship

4.0. On statistical sources and studies

As everywhere, (new) businesses have to register themselves in the Trade Register. The Trade Register (<http://www.prh.fi/en/kaupparekisteri/>) has different forms under which businesses may be registered. For small and medium businesses the following forms are the most important: a) Limited liability company; b) Private trader; c) Limited partnership company; and d) General partnership company. The registration procedure is in principle easy (“ten minutes work through the internet”, according to Potkuri consultants) and cheap (75 euros for private traders, more for the other forms).

The registration forms of the Start-up Notifications do ask information on nationality of the Private Trader/Partners/Board Members. But country of birth and country of birth of parents (to include naturalised immigrants and children of immigrants) are not included. These data can only be added by combining the Trade Register data with population registration data. Since this is a complicated and costly procedure, this is done only in exceptional cases in Finland. So all statistics related to immigrant entrepreneurs are based on nationality, except a few on language.

In actual practice, statistical data about immigrant entrepreneurs both at the national level and in Turku, are not readily available. One of the scarce sources is a short overview in Finnish written by Pekka Lith about companies owned by foreigners and foreign born in Finland (Lith 2005). The article refers mainly to the Hotel and Catering Establishments, the second most important sector for immigrants after Finance and Insurance services. According to that article, there were in total 1830 immigrant companies in the year 2004 in this sector, which means 17 % of the total of the companies in that sector in Finland. This figure is based on the trade register and tax register. Lith suggests that immigrant entrepreneurship, although

it encounters all kinds of problems, has risen significantly and has a high potential for the future. The report of the Taskforce of the Ministry for Trade and Industry also gives some statistics, again pertaining to the whole of Finland (partly based on Lith's work: Ministry for Trade and Industry 2007: see par. 4.2). Sometimes data from the Labour Force Survey are used to indicate the numbers and percentages of self-employed among Finns and immigrants.

Not only statistical data is meagre, also scientific research and publications are scarce. An interesting exception is the qualitative study that Wahlbeck (2007; 2008) did among 27 Turkish entrepreneurs in the 'Kebab economy' in Southwest Finland and Turku. He shows how this special branch of new fast-food was started by Turkish entrepreneurs who had lived some time in Finland, usually married to a Finn and fluent in Finnish. "The idea to establish fast-food outlets came from Germany and Sweden, where numerous kebab shops were founded in the 1980s. The first entrepreneurs utilized their transnational connections, as well as the assistance from their Finnish spouses to establish the first kebab shops in Finland". (...) "In more recent years, the example set by immigrants who had arrived in Finland earlier has been crucial for those arriving later on. Usually, a Turkish kebab owner has previously worked as an employee in a kebab shop owned by another immigrant, usually an immigrant from Turkey. After some time, the employee establishes his own shop, or, in some cases, he buys the shop where he has been employed" (Wahlbeck 2004; 2007: 550). Kebab food became an accepted product in Finland and through the internal mechanisms within the group the number of places grew.

Another qualitative study of 20 immigrant entrepreneurs in Turku is that of Sjöblom-Immala (2006) in 2005. Half of the interviewees had Asian backgrounds. The twenty entrepreneurs are active in diverse sectors as the commercial sector (one third), education, construction, industry, health work, personal services, business services and restaurant business. Interestingly, the success in different sectors varied: "Three-fourths of the entrepreneurs are satisfied with the success of their business. Entrepreneurs in the areas of construction, industry, hired labor, dental services and language training view their business as successful. The entrepreneurs in hairdressing, those in restaurant business and especially those in retail consider their situation less successful" (Sjöblom-Immala 2006: vii).

4.1. Definition of immigrant entrepreneurship

The term used in Finnish is *Maahanmuuttajayrittäjä* which means immigrant entrepreneur. The term ethnic entrepreneur is rarely used in every day language. The term 'ethnic' is used more often by officials. As we have seen above, the registration of companies itself contains only information on the nationality of the partners/entrepreneur.

4.2. Development of immigrant entrepreneurship

The report of the Taskforce of the Ministry for Trade and Industry gives some statistics pertaining to *the whole of Finland* (Ministry for Trade and Industry 2007). First of all, it shows that the growth of immigrant entrepreneurship is a recent phenomenon that took place mostly after 2000 (as measured by year of foundation of enterprises). The number of immigrant self-employed (using the nationality criterion in the Labour Force Survey) has doubled in the period 2001 to 2005. In 2005 it had reached a level of 16 % among foreigners, while the comparable figure for native Finns is 10 % (Ministry for Trade and Industry 2007: 9 and 22 ff).

Measured with data on ownership of companies, the report indicates that 5600 companies in Finland are owned for at least 50 % by foreigners: that is 2,4 % of all companies (Ministry for Trade and Industry 2007: 9 and 25). When it comes to size, immigrant businesses are really small in terms of people employed: more than half (51,4 %) just employ the entrepreneur, another one third (32,6 %) employs 1-4 persons. The main sectors in which immigrants are active are:

Trade	26,5 %
Real estate and Business services	21,5 %
Accommodation and restaurants	20,1 %
Personal services	7,5 %
Construction	7,3 %
Industry	4,9 %
Transport and communication	4,7 %

(Ministry for Trade and Industry 2007: 26).

The city and Region of Helsinki has been the most significant attraction pole for immigrants and immigrant entrepreneurs from the beginning. Helsinki has also been the city and Region where a significant infrastructure for support for immigrant entrepreneurs has been developed in recent years (see also Joronen (2006) and the CLIP-Helsinki report of this module by Patricija Matusz).

Jouni Marttinen gives the following data for 2004 *for Southwest Finland* (Marttinen 2010): in 369 enterprises the person in charge was a foreigner; these make up 1,9 % of all enterprises in Southwest Finland. These 369 immigrant companies stood for 0,5 % of the total turnover; they employed 960 persons, half of them employees and the others were the entrepreneurs themselves. So, the enterprises were small, nearly 60 % of them covering the entrepreneur only.

Of these 369 immigrant entrepreneurs in Southwest Finland, 64 percent had established themselves in the Turku region. Their date of establishment indicates that immigrant entrepreneurship is recent indeed: 60 percent of these immigrant companies were established in the 2000s.

When it comes to their branches of activity, services (of all kinds) is dominant with 86 percent of all companies. The most important sectors were:

Retail	26 %
Hotels and restaurants	23 %
Business services	14 %
Industry	8 %
Construction	8 %

Heinonen (2010) presents an interesting table in which the relative strength of entrepreneurship (based on Statistics Finland data for 2004) within ethnic groups is calculated for the County of Southwest Finland: Persian speaking immigrants (Iranians) have the highest percentage of self-employed (more than 35 % of all economic active persons are self-employed), followed by Kurdish speaking immigrants (Turks and Iraqis) who have more than 25 % and Arab speaking immigrants (17,5 %). In comparison Finnish speaking and Russian speaking reach to between 7 and 8 %.¹²



The Saaran Kebab shop and Astar Thai Massage in Turku, February 2010.

¹² Heinonen reports the data for 2007 in a mail of 25-5-2010: "The most active language groups are still Arabic, Kurdish and Persian. In 2007 the actual percentages were Arabic 20.5 %, Persian 16.7 and Kurdish 16.6. In comparison Finnish speaking reached 8.4 % and Russian speaking 4.2 %".

Specifically for the city of Turku, Sjöblom-Immala (2006: 17) presents some data on entrepreneurs (Yrittäjät) in the city in 2001 and 2003. Firstly, she finds a growth of foreign entrepreneurs from 128 to 143 in these years. The 143 foreign entrepreneurs of 2005 represent 6,4 % of all foreigners in the city. Of these entrepreneurs 36 % (52 persons) have an Asian background (incl. Turkey, Middle East, Thailand, Vietnam and China), while 32 % (46 persons) have a non-EU European background (mainly Russians).¹³

There is no specific official data on immigrant entrepreneurs since 2004. However, the significant representation of immigrant entrepreneurs among those who look for professional support for business start-ups with the Regional Business Service Centre Potkuri (see par. 3.7) indicates that immigrant entrepreneurship is growing quickly. For the past four years, Potkuri had about 6000 customers who have considered setting up a company. Potkuri estimates that immigrants form about 12 percent of all customers. In 2009, Potkuri reports to have registered 782 new start-ups, of which an estimated 15 % by immigrant entrepreneurs. From its register, it can be concluded that at least 74 different nationalities have been among the customers. Russians form the largest group of immigrant entrepreneurs. Most of them work at the local shipyard as a subcontractor.



¹³ The studies of the Taskforce of the Ministry (Ministry for Trade and Industry 2007) mentioned in the beginning of this paragraph for the national level are much higher. Sjöblom-Immala's data stem from Statistics Finland's longitudinal file of immigrants 1989-2005 (Tilastokeskus 2006. Maahanmuuttajien pitkittäistiedosto 1989-2005).

Thai massage parlour in Turku, February 2010.

4.3. Sector and spatial distribution of immigrant enterprises

Ethnic background correlates significantly with sectors where immigrants are working. Although there is no statistical data to really confirm the specialities, it is observed that most of the Russian men establish themselves as entrepreneurs in sectors related to the metal industry, while Russian women are active in the service sector, for example as hairdresser or cafeteria-owners. Estonians are strongly represented in construction. Immigrants from northern Africa and the Middle East set up pizza-kebab-shop and restaurants or they work in some connection to export and import (see par. 4.0 regarding Turks). Also Chinese immigrants set up restaurants and import companies, but also some who have set up company to promote tourism between the countries in question. Thai massage places are set up by women who have married a Finnish man and settled in Finland.

Immigrants from Western Europe and USA do show quite a different entrepreneurial profile: they usually set up business in the high-tech or design related sectors. Also their reasons for coming to Finland are very different from those of non-Western background. This obviously also affects the process of establishing a company.

There is not a significant and visible concentration of immigrant businesses in certain parts or quarters of the city, although relatively more ethnic restaurants, kebab-pizza-shops and massage parlours can be found in the area between the Central Railway Station and the centre of the city. Furthermore, in the 19th century covered bazaar in the centre of the city, there is a significant number (up to an estimated 30 %) of retail shops and restaurants serving and selling ethnic food and some shops sell other imported goods, like Afghan rugs.

4.4. Ownership of immigrant businesses

Immigrants who set up small companies always own these also. In exceptional cases, the Potkuri Business Service Centre did get some customers, mainly Russians, who have set up companies that are bigger and ownership may lay somewhere else. Immigrants are very seldom franchising their business: they don't have financial resources that are needed in most cases for this.

4.5. Reasons for entrepreneurship career

As we have seen, the profile of immigrant entrepreneurship is different for entrepreneurs from Western countries, including Russia and Estonia, and non-Western immigrant entrepreneurs (who often have a refugee background).

As for the non-Western immigrants, the literature indicates that the difficulties of getting a job in the regular labour market represent a strong push factor towards entrepreneurship. Heikkilä (2005: 485) states that "...immigrants of the developing world face severe problems, especially the fundamental one of getting started in the labour market. High unemployment levels in Finland, the low esteem attributed to foreign work experience by Finnish employers, and inadequate language skills are the main barriers encountered by labour market entrants from abroad". Observations of the business consultants of Potkuri confirm this. They report that "in most cases setting up an own company is the only way to labour market and out of social welfare. This is true especially for those whose educational background is not that strong. People from Africa or Arab countries also have difficulties in finding jobs in Finland".

Wahlbeck (2007; 2008) researched this question in depth with 27 Turkish entrepreneurs in Southwest Finland and concludes that their entrepreneurship choice is "undoubtedly connected to discrimination in the larger labour market and various disadvantages associated with immigrant status", but that at the same time "despite economic hardship, the freedom and social status connected to entrepreneurship is highly valued. Self-employment provides a positive self-understanding and a good social status, which the immigrants from Turkey find it difficult to achieve by any other means in Finnish society" (Wahlbeck 2008: 53). Also Sjöblom-Immala (2006) reports that both the push and pull factors play a role. Obviously these two factors do not contradict, but rather reinforce each other.



The Golden Dragon restaurant in Turku: February 2010.

4.6. Market

As we have seen above, the entrepreneurial profile of Western (including Russians and Estonians) and non-Western immigrants is very different. They also settle in different markets. The Western immigrants seem to follow more the regular pattern of Finnish entrepreneurs, be it that they chose specific sectors of activity (related to the metal industry and shipyards, construction for Russians and Estonians for example), as we have seen in par.

4.3. Non-Western immigrants are mainly concentrated in three different market segments:

- 1- They set up companies that provide services especially to other immigrants.
- 2- They establish restaurants and fast-food shops, mainly at the low end of the branch.
- 3- They have companies that do export to and import from their mother country.

4.7. Competition

Immigrant businesses experience two different sources of competition. The first derives from their marginal position in the branches they are active in. They have to compete with more established (non-immigrant) businesses in the same branch, except when they have found a new niche (such as Thai massage).

The second source of competition comes from the fellow immigrants who have followed the same idea of creating a small business in the margin of a sector. This competition often comes from within the same immigrant group, such as the Turks in the kebab places and the Thai massage. Wahlbeck (2007: 550): "In the late 1980s and early 1990s, the competition was not as fierce as it became later in the 1990s, when the number of immigrants increased and many of them started their own kebab and pizza businesses". The imitative pattern of entrepreneurship in certain sectors does obviously not keep pace with growth of the market of customers.

In the restaurant business (kebab-pizzerias) there is also a lot of competition between different ethnic groups, such as the Kurds, Turks, Iranians and Iraqis.

4.8. Workforce

As we have seen in par. 4.2. immigrant enterprises, particularly the ones of non-Western immigrants, are small, most of them 'employing' only the entrepreneur him/herself. These are businesses mostly built on very strong family support. Business consultants report: "For example, if an immigrant from Kurdistan sets up a restaurant the whole family will help and work in the restaurant. It is different question who will be paid but everybody is involved. Immigrants also have very good networks among themselves which help them in many cases.

Officially companies are very small, only one or two people, but when needed family members will give hand”.

Sjöblom-Immala (2006: vii) nuances this picture. She states that “for the majority of entrepreneurs who recruit additional workers, hiring immigrants is not a special goal. Stronger grounds for hiring are Finnish language proficiency, along with work experience and professional skill. However, eight entrepreneurs have hired immigrants outside the family at some point during their entrepreneurship”. It is not clear in how far the differences in recruiting strategies are related to the different styles of entrepreneurship of different immigrant groups in her (small) sample.

Also Heinonen notes¹⁴ that “it is common, but not automatic that immigrant entrepreneurs recruit immigrant employees. The customers’ role is important, because in many branches that are not commonly accepted as immigrant businesses branches most of the customers are Finns and it is more profitable and easier for an entrepreneur to hire a Finn to serve other Finns.”

4.9. Employment conditions and labour relations

Since immigrant companies (of non-Western immigrants) are usually family companies, labour relations (of those family members) are not perceived and organised as formal labour relations. Also employment of non-kin workers that are mostly from the same immigrant group, is organised on other characteristics (trust and loyalty) than formal labour relations assume (see e.g. Wahlbeck 2007: 554 ff). Measured according to formal requirements, labour conditions are in most cases quite poor. Also, knowledge of and information on formal labour relation requirements is often inadequate. Especially with those immigrants who have been in Finland for a very short time, language problems are common. The level of unionisation is very low.

In some branches, like the ‘kebab economy’ (Wahlbeck 2007: 555) working in an immigrant company of a fellow country man is also seen as a sort of apprenticeship period: one learns the trade of the business to establish oneself as an independent entrepreneur in that same business.

4.10. Problems and barriers: general management

Business consultants of Potkuri stress that the most important problem and barrier is language. If a person comes from abroad and advisors don’t have any means of communication with these people, it is clear that vital information will be missing. Potkuri has some material in Swedish, in English and in Russian but it does not have resources to

¹⁴ Correspondence with the author d.d. 25-5-2010.

produce material in all languages needed, but it does not have consultants from immigrant groups (yet). It is stressed that in order to successfully to run a business in Finland one should be able to speak Finnish language, at least a little bit. In high-tech companies you can manage only with English but when you are dealing with customers every day you need some knowledge of the native language.

4.11. Problems and barriers: financial management

An immigrant applying for a loan from local banks has two major problems to solve. The first is the language and second is the possible guarantees for the loan. In most cases immigrants don't have guarantees for their loans and that is why they are not awarded loans from banks.

In such cases there is Finnvera, a state financial organization for companies and part of the Ministry of Employment and the Economy (see par. 3.7). Finnvera may give loans to immigrants but only if their immigration status is right. A positive advice of Potkuri is an important condition too.

In many cases though, immigrants find financing from their relatives and friends as official financing by banks and Finnvera is not very easy to get, but also because some immigrants prefer informal channels for financing within family and ethnic networks.

4.12. Problems and barriers: marketing

Also here the language problem is mentioned by consultants as an important problem. Furthermore, when it comes to shops and restaurants immigrants have a hard time getting the best places for their companies since they seldom have financial recourses to pay high rents. The best places are taken by the big companies and chains.

As we have seen in the case of the Turkish kebab entrepreneurs, establishing a business is in some groups and sectors a matter of imitating a fellow country man or woman who more or less successfully found a niche. Given the fact that the motivation (and maybe also the pressure) to establish oneself as an independent entrepreneur is high, the actual establishment is in such perspective more dependent on availability of an opportunity (investment money, a location) than on systematic exploration of the market. That may result in some sectors, like the kebab economy, in a very low income and in lower survival rates of immigrant enterprises. In the absence of statistics on earnings and survival rate, however, it is hard to evaluate the importance of this factor for immigrant entrepreneurship in general.



The Afro-Asian shop in the old Covered Market of Turku: February 2010..



The Entrance of the old Turku Covered Market, February 2010.

4.13. Problems and barriers: rules and regulations

EU-citizens have the right to establish themselves as entrepreneurs in Finland. They “must go to the local police department to register his or her right to reside in Finland”. When registering “the self-employed person must present a certificate of the registration of a trade or other reliable account of self-employment”

Non-EU-citizens need a residence permit for a self-employed person in order to engage in business activities in Finland. “The Employment and Economic Development Centre is in charge of the deliberations regarding the requirements for business activities and means of support. It makes a preliminary decision, either accepting or rejecting the application which it forwards to the Finnish Immigration Service” (www.migr.fi downloaded 2-2-2010). In the practice of Turku the ‘statements’ given by Potkuri function as an important means to fulfil the last requirement.

4.14. Problems and barriers: bureaucracy and intermediary institutions

Since immigrants don’t have previous knowledge of Finnish society and their language skills are poor they have a lot of problems with these issues. Consultants of Potkuri signal that the level of awareness about regulations is very low in the traditional immigrant businesses.

There are several difficulties to overcome. The first is that immigrant entrepreneurs are often not aware of relevant laws and regulations. The second is that, when they are aware of the law, they often do not have the skills to comply with them. The advisors of Potkuri – and Potkuri as a one-stop-shop to solve problems – function as mediators and supervisors in solving these problems. As reported by the consultants, the biggest problem in doing this is again language. They feel, for example, that they do not have enough time and recourses to produce material on health issues for immigrant entrepreneurs.

Obviously, Potkuri is used by many (particularly starting) immigrant entrepreneurs, but not by all.

Sjöblom-Immala (2006: 32) asked 20 immigrant entrepreneurs what in their eyes the biggest difficulties have been in establishing their business. Highest rank is for ‘Finnish Law’, followed by ‘original assets’ (financial means) and ‘location’ (finding premises). In a list of other difficulties ‘Finnish Language’ scored by far highest.

5. Rules and regulations, policies

5.1. Overall strategy

As we have seen in par. 3.7, there have been no explicit and consistent specific policies for immigrant entrepreneurship, not at the national, regional and local level. The principle on all level seems to be that facilities for entrepreneurship should be available also for immigrant entrepreneurs, and that they should be part of these general policies (which was also clearly expressed in the document of the Taskforce of the Ministry (Ministry for Trade and Industry 2007). Nevertheless, in the day-to-day implementation of policies, modest bottom-up initiatives have been taken at the local level to take specific initiatives to support immigrant entrepreneurs. This is particularly visible in the Regional Business Service Centre Potkuri and in some of the Adult Education Centres that do not only attract (starting) immigrant entrepreneurs, but also have started to adapt their services to specific needs of immigrant entrepreneurs. Other institutions that could have possibly been involved – Chamber of Commerce, Association of Entrepreneurs, local banks, Turku Region Development Centre, the ELY-Centre at the local and regional level, nor the Ministry of Employment and the Economy at the national level – do not have the topic of immigrant entrepreneurship on their agenda in any significant way.

5.2. Objectives and dimensions

The situation as described in 3.7 and 5.1 actually means that in terms of policies there are no other objectives as the ones expressed for general policies relating to SMEs.

5.3. Main actors

The Regional Business Service Centre Potkuri as advisors of particularly starting immigrant entrepreneurs and some of the Adult Education Centres as trainers of immigrant entrepreneurs have become aware of the importance of adapting their services to specific needs of immigrant entrepreneurs. It characterises the incremental, bottom-up practical policies that are being developed.

5.4. Targets

In the absence of explicit policies, specific targets are absent.

5.5. Institutions

The Regional Business Service Centre Potkuri (www.potkuri.fi) as advisors of particularly starting immigrant entrepreneurs and the Adult Education Centres of Raisio and Turku

(www.tuakk.fi and www.turkuai.fi) as trainers of immigrant entrepreneurs have become the most important actor in practice.

When it comes to high-tech companies, the Turku Science Park and its business incubator www.turkusciencepark.com are also a potential support institution, like the advising centre on creative and artistic entrepreneurship (www.creuve.fi) is available in that particular field. In practice, however, both do not seem to have developed specific activities for immigrant entrepreneurs.

5.6. Access and involvement in policy making

There is not an organisation of immigrant entrepreneurs themselves. Informal networks exist, particularly within immigrant groups, but there are no signs that these try to represent interests of these groups to the outside world, or that they try to influence policies.

There is no formal barrier for immigrant business owners to become member of business related organisations. And some immigrant entrepreneurs do. In Turku there is an example where a young Iraqi entrepreneurs who runs a candy shop, has recently been chosen as the chair of a local organisation of entrepreneurs in a street. (The same person that has been awarded the best immigrant entrepreneur in Turku the year before: see Penninx 2009). But this seems to be the exception rather than the rule. It manifests though that the situation of low participation of immigrant entrepreneurs is not so much a matter of explicit exclusion, but more a consequence of the newness of the situation and a lack of awareness of possibilities for participation at both sides.

5.7. Formal access to entrepreneurship

As explained in par. 4.13 EU-citizens have the right to establish themselves as entrepreneurs in Finland. They “must go to the local police department to register his or her right to reside in Finland”. When registering “the self-employed person must present a certificate of the registration of a trade or other reliable account of self-employment”.

Non-EU-citizens need a residence permit for a self-employed person in order to engage in business activities in Finland. “The Employment and Economic Development Centre is in charge of the deliberations regarding the requirements for business activities and means of support. It makes a preliminary decision, either accepting or rejecting the application which it forwards to the Finnish Immigration Service” (www.migri.fi downloaded 2-2-2010). In the practice of Turku the ‘statements’ given by Potkuri function as an important means to fulfil the last requirement.

5.8. Rules and regulations

Problems start for many entrepreneurs when they actually start a business in a certain sector. Finland is a strongly regulated welfare state, and there are numerous regulations in sectors that may pertain to a) getting a license to establish a business in a certain sector, b) fulfil educational and skill requirements to get a license in certain sectors, and c) to fulfil requirements of the inspecting agencies. Such regulations are in principle valid for everyone who establishes him/herself as an entrepreneur, but they may also have a significant selective impact for foreigners. It is reported that the 'test' for the restaurant and food sector is relatively easy ("like a formality", as someone expressed it), but in other sectors they may be rather severe.

An interesting example in the Finnish case is the taxi-sector. One can ask the question why there are relatively few immigrant taxi businesses in Finland, while we see often in cities elsewhere that the taxi-sector has become a sector for immigrant business *par excellence*. The point is – as explained by the manager of one of the Adult Education Centres that has started specific courses on how to establish a taxi business and how to comply with all the requirements needed: see par. 3.7 - that many immigrants work as bus drivers, which implies that they certainly fulfil a number of technical requirements. But to qualify for a taxi-business one has to have a rather severe test, centrally organised by the relevant authorities in Helsinki: a test for which a rather sophisticated level of command of Finnish is necessary. If that hurdle is passed the actual license for a taxi-business in Turku has to be applied for with the County government of Southwest Finland. This complicated route is too much for most immigrants¹⁵. The interesting consequence, by the way, is that there is a phenomenon of illegal taxi business in Turku, called 'pimeä-taxi' (black taxi). They are said to be active in peak hours and recruit their clientele by directly addressing them. The phenomenon is associated with insecurity (robberies) and criminality, but it is unclear whether that image is founded or not.

5.9. Zoning plans

There have not been specific zoning plans for SMEs in Turku area, not for SMEs in general, and certainly not for immigrant entrepreneurs.

5.10. Sector rules and regulations

¹⁵ "The Finnish taxi system is based on quotas. The taxi licences are granted by the ELY centres. The taxi license is granted by the ELY centre in the area of which the taxi is going to operate. One of the basic requirements is to have the taxi driver's driving permission granted by the police. To have the permission you need to fulfil certain requirements. The basic requirement is to pass a test to show that you do know the local area. If you pass the test in Turku, you can become a taxi driver in Turku area. But if you want to be a taxi driver in Helsinki, you need to know Helsinki and pass the test in Helsinki. After having the taxi driver's driving permission and fulfilling other requirements you can apply the taxi license to start your own business, but because of quotas and economic obligations it is not that easy here in Finland" (Heinonen, personal correspondence d.d. 25-5-2010)..

There are certainly special rules and regulation for example given to restaurants, taxi's etc., but these rules are the same for everyone. There may be regulations for access, as explained above, that pertain to getting a license to establish a business in a certain sector and fulfil educational and skill requirements to get a license in certain sectors. After establishing the business there are maybe special regulations that pertain to hygiene or environment, for example, and that are controlled by inspecting agencies.

5.11. Business acumen

As we have seen in 3.7, two educational institutions at the local level of Turku and direct surroundings have developed a significant, sometimes even specific course offer for immigrant entrepreneurs in the wake of their large experience of offering Language and Civic Integration Courses. The Turku Adult Education Centre planned for the year 2010 five basic course in entrepreneurship, having some 450 students, of which an estimated 50 are immigrants. The Centre also has specific training courses for starters in specific branches: recently there was a course for aspiring taxi-drivers who planned to get a license for a taxi-company. This course costs 1400 euro for the individual participants and it actually prepares for the test that has to be done with the relevant authorities for such licenses in Helsinki. Some 6 or 7 immigrants also participated in the course (often bus drivers that want to establish themselves in the taxi-business).

The Adult Education Centre of Raisio, a neighbouring city in the Turku region, has a comparable rich tradition of giving language and Civic Integration Courses as its Turku counterpart. This Centre has recently started an innovative training project, especially for immigrant entrepreneurs: it has recruited (mainly from its module 3 participants, but not exclusively) some 21 immigrants for whom it is organising now a specific "Business Incubator Course". The basic idea is that all have the same common goal of establishing (and in some cases changing to) a well prepared and well founded business. This entails that they will have some basic common elements in the course, like learning to make a solid business plan, but also specific elements that pertain to the specific business they have in mind. The Centre has acquired funding for this course of a year directly from the Ministry of Business and the Economy.

Finally, for all practical purposes, the work of the Turku Regional Business Service Centre Potkuri is of crucial importance. This organisation functions very much as a one-stop-shop for services to entrepreneurs, free of charge. The 16 employees of Potkuri give service and advice both to established companies and to starting entrepreneurs (five persons are working on start-ups only); to advise on innovation and (help to) register patents; to give advice on training of entrepreneurs and work together with training centres on this; to help entrepreneurs to go to international markets; to assist with registration of new companies, to

advise them on tax matters (by someone of the tax office that is present in Potkuri), etcetera. In 2009, Potkuri reports to have registered some 1500 customers and 782 new start-ups (of which an estimated 15 % immigrants). Potkuri also makes 'statements' (on the quality of plans of immigrants entrepreneurs and their progress in implementation) for the Aliens Police (necessary if they do not yet have a guaranteed residence status) and to Finnvera (when an application is made for a loan) or for applications to receive 'start-up benefits' (see above).

5.12 Finance

There are two important national regulations available that are both general in nature, but seem to have received relevance for immigrant entrepreneurs too, although they never have been adapted specifically for immigrants (see 3.7). The first one is the regulation some twenty years ago of the Ministry of Employment and the Economy that stipulated that unemployed who wanted to establish themselves as entrepreneurs can get financial benefits (of nowadays about 700,- euros a month) during the first period of starting up their business. This is commonly called 'start-up-grants'. To get such benefits a business plan for the new enterprise has to be made and accepted. The benefits can be extended two times by 6 months, so up to maximally 18 months (for which each time a positive statement on progress is needed). Some five years ago, the regulation was broadened in the sense that also starters who are not unemployed may receive the start-up benefits. The regulation is used extensively, it seems: a consultant from Potkuri stated that this Business Advice Centre produced 414 'statements' (i.e. documents that are necessary to get the benefits).

A second important measure of the same ministry is on financing businesses. There is a special financing fund, called Finnvera that aims to improve and diversify the financing possibilities of the companies through loans, guarantees and export financing services. The specific group of immigrant entrepreneurs is not mentioned, but it has become clear from interviews with consultants of Potkuri and from immigrant entrepreneurs themselves, that the fund can be used and is factually used by immigrant entrepreneurs too. It is not clear how frequently immigrants are able to receive Finnvera loans or guarantees for financing their business.

5.13 Business locations

No special facilities have been developed to steer the location of (immigrant) entrepreneurs, to facilitate finding locations for starting entrepreneurs, nor to improve the locations that they presently occupy. There are some initiatives and discussions in the framework of a renovation plan for the Varissuo residential area – a neighbourhood on the outskirts of the city that has

the highest concentration of immigrants in Turku - to facilitate immigrant entrepreneurs to fill in gaps in local provision of goods and services, but this has not taken any concrete shape yet.

5.14 Access to employment in immigrant businesses

There has been some co-operation between Potkuri and the local employment office which has few special advisors for immigrant in employment matters.

5.15 Staff matters

Particularly non-Western entrepreneurs often have employees – if they have any – that have the same ethnic background as the owner. These entrepreneurs base their recruitment on trust and (kinship) networks. Relations between employer and employee are thus more determined by personal and context factors than by general rules. The level of unionisation is very low. Interestingly, we did not encounter any form of interest of trade unions in immigrant entrepreneurship or policy initiatives on this topic. Probably, the size of the phenomenon (of employees in immigrant businesses) is so insignificant that it is not even seen as a threat by trade unions.

5.16. Marketing

There have been no special projects in which the question of identifying new markets and innovative products has been important. The latest “Incubator Course” of the Adult Education Centre of Raisio will probably address this important element.

Of course, it is part of the advisory task of the business consultants of Potkuri to advise on marketing, when immigrant make their business plans.

5.17. Transnational economic connections

Of course, transnational economic connections exist, particularly in sectors where products relate to countries of origin of the entrepreneurs. But there have not been specific policy initiatives to promote or facilitate such connections. In principle, the Turku Region Development Centre has a special task in such matters, but as we have seen it does not have immigrant entrepreneurs in focus, when implementing this task (see par. 3.7).

5.18. Training and management support

As we have seen above (par. 3.7 and 5.11) the Adult Education Centres of Turku and Raisio have developed courses for entrepreneurs already for some time, and the centres have attracted immigrant entrepreneurs too. Recently the centres are experimenting with special

courses for starting entrepreneurs. Participation of immigrants in such courses is on the increase, but also still in an early phase.

5.19. Illegal and informal practices

In general, the image of immigrant entrepreneurship is not negative. There may incidentally be public worries or suspicions about specific sectors – the illegal ‘black-taxi’, the Thai massage rooms, the quality of hygiene in some Chinese restaurants – but the general attitude seems to be more characterised – also in politics - by a lack of knowledge and unawareness of the phenomenon of immigrant entrepreneurs. This may also have to do with the fact that the category of immigrant entrepreneurs is factually rather diverse entrepreneurs from Western countries – among those entrepreneurs from the largest groups of immigrants: Russians and Estonians – are on top in absolute numbers, but they are not very visible in Finnish society. Immigrant entrepreneurs from non-Western countries are much more visible, but their number is (still) relatively low and there are no strong concentrations in particular localities. Although there may be incidental worries about their possibly illegal and informal practices (which certainly exist to some extent), it seems that the perception is one that appreciates the exotic aspect implied rather than the deviance from Finnish rules and practices.

5.20. Non-action

As described above, many institutions that could possibly be expected to be actively involved are actually rather passive: the Ministry of Employment and the Economy; the Registration Agency for Businesses; the ELY-Centres; the Chambers of Commerce; the Association of Entrepreneurs; the banks. They do not have a negative attitude and exclude immigrants; they simply lack knowledge and do not give the topic any priority.

At the local level of Turku, the Turku Regional Business Service Centre Potkuri is the exception, having opened up their consultative work in a significant way for immigrant entrepreneurs. That has been done within a general policy of consultancy without given it a prominent status in official policy documents. In the same incremental way the two Adult Education Centres of Turku and Raisio have adapted their offer of course for new clientele of immigrant entrepreneurs, or they at least started to work along such track.

6. Summary and conclusions

6.1. Summary and conclusions

The statistical data, combined with interviews with business consultants of Potkuri, with entrepreneurs and observations in Turku itself, lead to the following general observations on the development of immigrant businesses in Turku:

Firstly, immigrant entrepreneurship of non-Western immigrants is predominantly (very) small business: in general the entrepreneur himself, assisted by family members. In the beginning it has been particularly the fast food sector (pizzeria-kebab), retail shops and personal services that represented obviously access to such an independent economic activity for which modest investments were needed and few formal regulations existed. Russians and Estonians – the two largest immigrant groups in Finland and Turku – have come up as strong as the non-Western immigrant entrepreneurs, but they have established themselves in different branches: business services in the metal sector, mostly related to shipbuilding and construction. Particularly labour relations in the traditional shipbuilding sector have changed very much in recent years through outsourcing and sub-contracting, creating (some say forcing) new opportunities for small entrepreneurs.

Secondly, there are clearly different profiles of immigrant entrepreneurs when it comes to their background in terms of their country of origin: Persian, Kurdish and Arabic speaking immigrant groups (from Iran, Iraq, Turkey, Palestine and Lebanon) manifest a much stronger urge to establish themselves as entrepreneurs than other immigrant groups, but also much stronger than ethnic Finns. Research indicates that the motivation and experience for this category of entrepreneurship is higher among these groups, but there has been at the same time a strong push effect of the wage labour market. The relevance of both factors has been demonstrated by qualitative research of several researchers. Russians and Estonians deliver in Turku as many immigrant entrepreneurs as the first group in absolute numbers, but the rate of entrepreneurship within these groups does not differ essentially from Finns. Actually much less is known about this category of immigrant entrepreneurs: they are much less visible and seem to follow more the regular established Finnish pattern of small entrepreneurship. These last characteristics seem to apply even more to relative smaller groups of EU- and other Western immigrant entrepreneurs.

Thirdly, in terms of development in time, immigrant entrepreneurship started in the late 1980s and 1990, but became a significant phenomenon in Turku only after 2000. It is thus a recent phenomenon. There is no mention yet of a second generation of immigrant entrepreneurs and not of significant shifts of these entrepreneurs to new branches of activity, as has been observed elsewhere in European cities. Immigrants 'breaking out' of their original niches in the lower segments of branches to successfully establish themselves in new trades, is neither observed nor even talked about. Presently, all immigrant entrepreneurs are first generation immigrants. Their basic disadvantage (except perhaps for those who came to Finland on the basis of a marriage with Finnish partner) is the lack of knowledge of Finnish

language, of the Finnish regulatory context and of the way of doing and organising business.

Fourthly, the overall picture is that particularly non-Western immigrant entrepreneurs establish themselves in economically marginal segments of markets. Access to those segments is relatively easy, in terms of low investments needed and few formal requirements, but competition in those lowest segments is high. Not only do they have to compete with the more powerful established businesses, but since the choice of activity is often more based on imitation than on sound market exploration, competition among immigrant entrepreneurs themselves is sharp. That makes many of the enterprises marginal in terms of turnover and income that they generate for the owner. There is little or no organisation within the immigrant entrepreneurs to protect common interests, except for the informal networks within their ethnic groups.

Fifthly, immigrant entrepreneurs do really have a hard time in coping with all formalities, regulations and requirements for access to entrepreneurship and after they have started their businesses. Access to some sectors, like the taxi-business, is more difficult than others, like the food sector. In general, however, such problems do not seem to be reinforced by a systematic negative image of immigrant entrepreneurs, although incidentally suspicion is raised against certain categories, such as illegal taxi drivers, massage parlours or Chinese restaurants. The dominant attitude of both the public in general and of politics and policymaking is more one of a lack of knowledge, looking at (non-Western) immigrant as an exotic phenomenon rather than a threat.

In terms of policies, immigrant entrepreneurship has received little systematic attention in policies on SMEs so far. At the national level, explicit policy attention was short-lived in the 'Taskforce for Promoting Immigrant Entrepreneurship' installed by the Ministry of Trade and Industry in 2005. Its report, however, does not seem to have had any significant follow up in policy action. Nevertheless, a number facilities created at the national level in the framework of promoting SME in general have gained importance also for immigrant entrepreneurs: the 'start-up-grants-regulation', the Finnvera fund and the financing of training facilities and education for entrepreneurs.

The fact that these general facilities are nowadays also used by immigrant entrepreneurs is due to the bottom-up initiatives of two institutional actors: in the first place, the Turku Regional Business Service Centre Potkuri that has opened up its consultative work in a significant way for immigrant entrepreneurs. That has been done within a general policy of consultancy without giving a prominent status in official policy documents. Secondly, the two Adult Education Centres of Turku and Raisio have in the same incremental way adapted their offer of course to a new clientele of immigrant entrepreneurs, or they at least started to work along such track. These institutional actors have made the national regulations and financing of education work for immigrants.

Most institutions that could possibly be expected to be actively involved have actually been rather passive: the Ministry of Employment and the Economy; the Registration Agency for Businesses; the ELY-Centres; the Chambers of Commerce; the Association of Entrepreneurs; the banks. This passivity does not seem to be consequence of a negative attitude that excludes immigrants, but of a lack knowledge and priority setting.

6.2. Good practices

Examples of good practices in the case of Turku are first of all the Potkuri practice of consultancy for starters in a one-stop-shop formula, as described in par. 3.7. Although the formula is not specifically made for immigrant entrepreneurs, Potkouri has adapted its practice to a great extent to an immigrant clientele.

The second good practice is to be found in the general and specific activities deployed by the two Adult Education Centres of Raisio and Turku for immigrant entrepreneurs. Although partly financed by governmental funds, these initiatives have been taken in a bottom-up fashion.

6.3. Other final comments and suggestions

As to the position of Potkuri, one element should be looked into carefully. Potkuri profiles itself to immigrant entrepreneurs as a free of charge advisor that can help (starting) immigrant entrepreneurs. Potkuri fulfils at the same time, however, a role for aliens' control, when it comes to statements that testify that the entrepreneurs plan or business is okay (or not), needed for (the extension of) residence permits. Potkuri fulfils a comparable function for ELY/ Ministry of Employment and the Economy, when it writes statement for applications for 'start-up grants' or loans or guarantees from Finnvera. From the perspective of immigrant entrepreneurs these tasks of advisor on the one hand, and gatekeeper to facilities on the other may be problematic. (I received comments from immigrant entrepreneurs suggesting that it only makes sense to go to Potkuri, if your ideas and proposals fit with the criteria and requirements that are asked by official institutions.) Also the consultants themselves maybe hindered by double loyalty that may be involved.

6.4. Interview partners

Jukka **Aukia**, Project researcher of the Institute of Migration (Siirtolaisuusinstituutti),
(jukka.aukia@utu.fi)

Ahmed al **Chibib**, Entrepreneur (shop keeper) in Turku (044 3331431) (al-chibib@ahmed.fi)

Kalle **Euro**, Business Director of the Turku Region Development Centre

(kalle.euro@turku.fi)

Tuomas **Forss**, Director of Sales of the Turku Adult Education Centre

(tommi.forss@tuakk.fi)

Stefan **Glorioso**, Entrepreneur: café-restaurant (glorioso@dnainternet.net)

Hasan **Habib**, President of SONDIP, Umbrella organisation of Immigrant Organisations in Turku, and of Together Association (Hasan.Habib@turku.fi)

Elli **Heikkilä**, Research Director of the Institute of Migration (Siirtolaisuusinstituutti),

(elli.heikkila@utu.fi)

Jenni **Heinonen**, Project Researcher at Turku University (jejoni@utu.fi)

Heikki **Ilmasti**, Turku Region Business Service Centre Potkuri, Business Adviser

(Heikki.ilmasti@ely-keskus.fi)

Mikko **Lohikoski**, Director of Communication and External Affairs, City of Turku

(Mikko.Lohikoski@turku.fi)

Hannele **Martikainen**, Trainer Business Incubator – training for entrepreneurship for

immigrants, Raison aikuiskoulutuskeskus Timali (hannele.martikainen@timali.fi)

Tuomas **Martikainen**, Researcher, Department of Comparative Religion, Åbo University

(Tuomas.Martikainen@abo.fi)

Jouni **Marttinen**, Senior Advisor of the Regional Centre for Economic Development,

Transport and the Environment (Ely-centre) (jouni.marttinen@ely-keskus.fi)

Marco **Pinto**, Entrepreneur: Theatre artist, Marionettiteatteri Mundo.

Outi **Rannikko**, Regional Manager of the Central Organisation of Finnish Trade Unions

(SAK), South-Western Finland office in Turku (outi.rannikko@sak.fi)

Regina **Ruohonen**, Immigration Coordinator, Strategy and Communication, City of Turku

(Regina.Ruohonen@turku.fi)

Heli **Sjöblom-Immala**, Researcher of the Institute of Migration (Siirtolaisuusinstituutti),

(heli.immala@gmail.com)

Maarit **Tontti**, Turku Region Development Centre, Business development Officer

(Maarit.tontti@turku.fi)

Timo **Metsä-Tokila**, Director of the Turku Region Business Service Centre Potkuri,

(Timo.metsa-tokila@ely-keskus.fi)

Elina **Tuukkanen**, Senior Editor, Foreign News of Turun Sanomat (Turku News)

(elina.tuukkanen@ts-group.fi)

Boris **Vibäck**, Business expert of the Regional Centre for Economic Development, Transport

and the Environment (Ely-centre), (boris.viback@ely-keskus.fi)

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Finnish Immigration Service: www.migri.fi

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