European Foundation for the Improvement of Living and Working Conditions

Case Study on Ethnic Entrepreneurship

ZAGREB

CLIP Network
Cities for Local Integration Policy

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1. Foreword

In 2006, the European Foundation for the Improvement of Living and Working Conditions, the Congress of Local and Regional Authorities of the Council of Europe, and the City of

Stuttgart created a European network of Cities for Local Integration Policies for Migrants (CLIP). The project aims at collecting and analyzing innovative policies and their successful implementation at the local level, supporting the exchange of experience between cities. The network enables local authorities as well as national and European policymakers to learn from each other and thus to pursue more effective integration policies for migrants.

Starting with module 3 the CLIP network is now supported by six migration research institutes in Bamberg (coordinator), Amsterdam, Wroclaw, Turin, Swansea and Vienna. The researchers at the Institute for Urban and Regional Research of the Austrian Academy of Sciences in Vienna are responsible for this report on Zagreb (HR).

An enormous effort has been undertaken to collect all the necessary data for this report. Precious basic information for this case study was provided by the City of Zagreb. To these officials and in particular to the Department For The Promotion of Human Rights, Gender Equality, Relations With National Minorities And Religious Communities And Civil Society Development at the Mayor's Office of the City of Zagreb, we are very thankful for the precious support and the valuable suggestions. A lot of information could be gathered in interviews with Edib Ahmetašević, Luigj Daka, Ton Ljekaj and Emir Akšamija. We are also very obliged to the representatives of Institute for Migration and Ethnic Studies, the Ministry of Economy, Labour and Entrepreneurship; Chamber of Trades and Crafts in Zagreb, the Ministry of Interior (Head of the Department of Immigration and Asylum). We further thank Jana Radić and Elizabeta Knorr and we want to express our appreciation for their good mood of cooperation.

We thank explicitly all the experts from various institutions and in particular the entrepreneurs who were willing to provide us information. A list can be found in the appendix of this report. The authors of this report would like to thank all those who have cooperated with us in giving precious information and comments.

2. Introduction

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

The study focuses on the emergence of ethnic entrepreneurs in the sectors and cities involved and the role of governmental and non-governmental regulation in it. The basic research questions are:

A. What are the characteristics of the urban economy and which openings have emerged in a number of cities since 1980?
B. What kind of profiles of ethnic entrepreneurship can be identified?
C. What state and non-state rules and regulations govern the SME sector in general and the ethnic SME sector in particular at the national and local levels and how have they shaped ethnic minorities' self-employment trajectories?

As in the previous modules of CLIP a mixed methodology of data acquisition was used. Similarly the City of Zagreb provided us with a lot of detailed information and data, this made it possible to complete the main questionnaire. Statistical data were gathered from chamber of trades and crafts in Zagreb and the statistical bureau of Zagreb. Own calculations were made on Census 2001 data and the Microcensus 2009 and 2010. Contrary to earlier reports Interviews started at the earlier stage of the research process and their results systematically combined with statistical sources.

Throughout all sectors of industry, entrepreneurs with immigrant parents or immigrants themselves have nowadays become an established and important part of Zagreb's business life. But there is even more: they also improve the variety of products and services, look after supply structures and strengthen the business location with their cross-border contacts.

3. The urban economy in general

3.1 Historical development of urban economy

Even though the most significant and economically important companies are partly older, they strengthened their market position only in the late 1990s (e.g. Agrokor, INA, Konzum). Until recently wholesale and retail trade have been the most important lines of business in Croatia.

The development of private enterprises has been concentrated almost exclusively in the urban areas of Croatia and only in the course of time serious competitors could develop in the rural regions of the country. However, in several cases their growth and development could not keep up with the enterprises in established urban centres. Accordingly there are still regional disparities and the support of companies in economically underdeveloped rural areas by selective governmental initiatives is of great importance. The establishment and subsidisation of enterprises in these outlying areas is a decisive measure to reduce unemployment. The development of entrepreneurship is important in the rural area, because the small entrepreneurial initiatives can contribute to the self-employment of the entrepreneur and their family members. The development of women's entrepreneurship is especially important in the rural area because it's often the only form of employment for rural women, who have reduced possibilities of finding a job because of various infrastructure reasons (child care, care for older family members).

The unequal distribution of enterprises and economic power has a long history. As early as the beginning of the 18th century the country's main industrial sites have formed in the big cities or rather in their peri-urban areas. Main industrial centres also represented the capitals of Croatian macroregions (Zagreb, Rijeka, Split and Osijek). In urban areas as well as in the outskirts some big industrial units have settled. In other centres however, only one or two big companies can be found, which accordingly are employers of the majority of people in this area (e.g. textile and manufacturing industry in Varaždin, „Podravka“ in Koprivnica, the ironrefinery in Sisak, the meat-processing industry in Petrinja or metal production in Karlovac).

While in many rural parts economic activity remained at a very low level these main areas increasingly gained in importance and influence in the last centuries. Most notably, movement of labour from the peripheries to the economically significant regions could be identified. Because the daily routes of (long distance) commuters concentrated on certain few destinations this furthermore led to high strain of infrastructures.

Zagreb was the main industrial city of former Yugoslavia. From 1952 to 1991 industry made up one third of the total GDP. At the same time trade steadily grew and its share of the GDP increased from 8:5% (1952) to 26% (1991). From 1950 to 1990 three quarters of all wage earners in the industrial sector worked in only five different lines of business: metal, textile, electronics, food and chemicals industry. The largest part of those in the industrial sector worked in the textile and metal industry. Today more workers are employed in electronics, chemicals and food industry, followed by oil and gas industry.

In the coastal industrial centres such as Split and Rijeka however, shipbuilding dominates (or rather several related companies like e.g. „Torpedo“ turbine manufacturing). Furthermore, enterprises from the field of railway engineering and refineries can be found.

In the 1990s the processes of privatisation and the denationalisation had a huge impact on the economy in general, the labour market and ownership structures. Many industries declined, merged or spread out. The war furthermore contributed to the adverse privatisation-process, as well as the loss of many markets of the former state, but also to the loss of some foreign markets (collapse of Soviet Union and the liberalisation of the eastern European markets towards the west). The dissolution of some big industrial organisation followed: Končar, Prvomajska, TPK, RIZ, Chromos. Only a few traditional corporations were able to remain in the market and continue to develop.

In the course of modified and rationalised production methods and the new international competition in heavy industry, other branches gained in importance: food and beverages production (25.7% of all productions), chemicals industry (12.8%), print media (12.6%) and the production of electronic appliances (7.1%).

In coastal areas tourism is the number one growth industry. The state is making great effort to maintain certain industries, such as the shipbuilding sector. However, after twenty years of quality production this industry gradually vanishes.

Acccording to information of IMIN as in other European countries structural change in Croatia led to a shift from industry to services (share today approx. 60% services, 31% industry, 8% agriculture), accompanied by a significant decrease of industrial production sites and the creation of many new places of work in the tertiary sector. However, as a result of this partially massive de-industrialisation not all who were employed in the industrial sector were able to find employment now. Thus, (long-term) unemployment rates rose considerably. Also in Zagreb the ratio of secondary sector to services or rather finance changed: insurance and finance industry dominates more and more facilitated by the recent establishment of international large banks.

Observing the last three decades it can be determined that Croatia's socio-political and economic structures have completely changed since independence. After the nation abandoned the socialist model of self-government (from which the structural problems of economy and structural unemployment were inherited), democracy has become more firmly established. The capitalist model of previous years has been reinvented in order to be socially more reconcilable. What is more, the national economy moved away from large structures towards a predominance of small and medium sized companies; these compose the largest part of enterprises in Croatia, which results in decreasing importance of some few large corporations.

Due to the process of conversion and privatisation many manufacturing companies have shut down. Yet, in many cases the local economy in Zagreb could profit from these structural changes.

Seeing companies located in Zagreb in the national context and considering their status accordingly it can be deduced that they have proven to be the pillars and driving force of economic development for the whole of Croatia. This is especially in the light of the aforementioned structural changes since they were the first to be integrated intensively into global economic processes. Intensified international trade with goods and products, as well as foreign investment in promising enterprises in Zagreb illustrate this. Accordingly, head offices of major Croatian companies, which have been taken over by foreign firms or investors, are predominantly located in Zagreb.

In comparison to the smaller regional industrial centres in the country the economic structure of the capital is more diversified. Instead of few enterprises from one particular industry dominating the market medium sized and large companies from various industries can be found of which many are significantly important at the Croatian market. However, small and medium sized enterprises remain the most important factor with making up 99.1% of all Croatian businesses. Thus, large enterprises do not dominate economy with absolute power.

Since the end of the war the metropolitan area Zagreb is the national economy's locomotive. It has quickly and intensively adapted to global economic processes and thus enabled a stronger inflow of foreign investment. Since then companies from industries and sectors that are forward thinking and open up new perspectives to Zagreb and the whole country have continuously become established. The most important businesses in the country have their national central offices in Zagreb, among them a few internationally significant companies (OMV Hrvatska, T-Mobile Croatia, British Airways, AT&T, Siemens, Apple or

Raiffeisenbank Austria). The fact that Croatia generally opens up increasingly to foreign enterprises, investors and investments probably shows in Zagreb most. The capital also displays a comparatively healthy mixture of businesses, naturally also many belonging to the tertiary sector. It is not the case that only few companies dominate the local and regional market as it has been described with regard to the mono-structured industrial centres of Croatia. Roughly one third of the total GDP is currently generated in Zagreb, almost 60% of all economic activity takes place in the capital. Yet there is a recent trend of companies of different sizes settling in the surrounding areas of the city in order to compensate for the rising prices of real estate and property.

One the one hand this causes the city to loose businesses and related income but on the other it shows the rising significance and growth of the metropolitan area Zagreb.

3.1 Main industries and services

The most important branch of industry in Zagreb is trade with a share in total turnover of 38.1%, followed by the manufacturing sector with 13%, construction sector (8.7%), communications technology 8.3%, trade with electricity, gas, steam and air-conditioning (7.4%). Also the largest share of all enterprises is part of the trade sector (32%), scientific and technical services amount to 20,1%, construction sector 11,7%, manufacturing sector 6%, and communications technology (6.7%). Trade furthermore has the biggest share in the market with 25.9%, followed by the manufacturing sector with15,1%, the construction sector (10%), logistics and storage (9.5%) and by freelance, scientific and technical services (7.2%).

The main areas and the highest total revenue in the manufacturing sector in Zagreb are: food production, production of electric equipment, production of data processing devices, electric and optic commodities, beverage production and the production of pharmaceutical bases and pharmaceutical preparations (compare Table 1).

Table 1: Structure of Zagreb's industry

Industry by branches	
Industry total in %	100.0
Mining	0.25
Production in total	83.19
Food production	11.8
Beverage industry	6.28
Textile industry	0.29
Clothing production	1.18
Leather production	0.11
Wood production (without furniture)	0.0
Paper production	3.45
Printing and reproduction of recorded media	9.63
Coke and refined petroleum products	0.06
Chemical production	4.37
Pharmaceutical production	4.06
Rubber and plastic production	1.09
Manufacturing of other non-metallic mineral products	1.14
Manufacturing of metal	0.02
Production of fabricated metal products	1.68

Manufacturing of computers and electronic products	2.02
Electronic equipment	6.58
Production of machines	1.16
Production of motor vehicles	0.26
Production of other vehicles	2.01
Production of facilities	0.1
Other manufacturing industries	0.85
Repair and installation of machinery and equipment	25.05
Trade with electricity, gas, steam and air-conditioning	16.56

Source: Chamber of Trades and Crafts in Zagreb 2009

3.3 Size of workforce

According to information of IMIN the number of persons employed in Zagreb was continually about 420,000 during the last years, which make up for a share of 30% of all persons in employment in the whole country. At the end of January 2010 35,868 unemployed people have been registered in Zagreb. However the actual number of unemployed people is estimated to be 40,000. The official unemployment rate in April 2010 was 17.9%. Among these unemployed the age group at most risk of unemployment are those between 20-29 and 50-59. These groups are imperative parts of the labour force (of these respectively 53% women are concerned; compare Tables 2-4).

The HZZ (Croatian Bureau of Labour/Labour Market Service and the Central Bureau of Statistics are in charge of the statistic recording of labour force.

3.4 Characteristics of the workforce

The age distribution in Zagreb is generally rather favourable. The majority of the population is according to age groups between 30 and 40 years old. 40% of the labour force holds a university-entrance diploma and 20% a university degree. The level of education in international comparison is relatively high, which is also due to the resident business in Zagreb and their requirement from their employees.

Investigations or official statistic data concerning the ethnic-national backgrounds of employees are not available. Public records do not include ethnic affiliations or rather ethnic-national backgrounds. As to information of IMIN ethnic minorities in SMEs are predominantly employed in the area of simple services; as experience shows these are mostly small trade and trade. During the last 30 years the structure of ethnic entrepreneurship has changed according to the changing social and political system: certain ethnic groups produce clearly defined and traditional goods and thus fill a niche on the market. Caused by continuous immigration from all parts of Yugoslavia certain markets in Zagreb changed since the 1960s. Mostly Albanians from the Republic Macedonia and from Kosovo are renowned for their traditional ethnic entrepreneurship. Albanians from Macedonia primarily run bakeries and pastry shops or fruit and vegetable shops, Albanians from Kosovo have specialised in selling jewellery or are goldsmiths. In the last years increasing numbers of Chinese migrants emerge in the area of trade and hospitality industry. The number of Chinese shops and restaurants is rising since 2005. Yet, the recent past shows that due to often scarce quality of the offer the number of Chinese entrepreneurs is decreasing again.

Table 2: Unemployed people in Zagreb according to age groups 2008

Unemployed people in Zagreb on average 2008	15-19	20-24	25-29	30-34	35-39	40-44	48-49	50-54	55-59	60+	in total
	1014	2896	3227	2149	2015	2207	2678	4719	3934	1345	26184
	3.87	11.06	12.32	8.21	7.7	8.43	10.23	18.02	15.02	5.14	100.0

Source: Chamber of Trades and Crafts in Zagreb.

Table 3: Unemployed people in Zagreb according to age groups 2009

Unemployed people in Zagreb on average 2009	15-19	20-24	25-29	30-34	35-39	40-44	48-49	50-54	55-59	60+	in total
	1506	4066	4895	3462	2952	2991	3262	5070	4420	1488	34112
	4.41	11.92	14.35	10.15	8.65	8.77	9.56	14.86	12.96	4.36	100.0

Source: Chamber of Trades and Crafts in Zagreb

Table 4: Unemployed people in Zagreb according to gender and level of education 2009

Unemployed people according to gender 2009	no schooling	Elementary School	Upper School (3 years)	Upper School (4 years and more)	Higher School	University	in total
Total	1 380	6 347	8 687	11 868	1 961	3 869	34 112
Women	842	3 583	3 742	6 837	1 049	2 368	18 421
Women (in % of total)	61.0	56.5	43.1	57.6	53.5	61.2	54.0

Source: Chamber of Trades and Crafts in Zagreb

Table 5: Employees (Population – working age by activity and sex) in Croatia 2009

	X–XII 2008	I–III 2009	IV–VI 2009	VII–IX 2009	X–XII 2009
in total (in thousand)					
working age population (+15)	3 713	3 691	3 685	3 720	3 735
active workforce	1 788	1 775	1 768	1 761	1 756
employed	1 633	1 608	1 611	1 608	1 594
unemployed	155	167	157	153	162
unactive population	1 925	1 915	1 917	1 959	1 979
in percent (%)					
activity rate	48.2	48.1	48.0	47.3	47.0
employment rate	44.0	43.6	43.7	43.2	42.7
unemployment rate	8.7	9.4	8.9	8.7	9.2
male					

working age population (+15)	1 734	1 721	1 725	1 748	1 762
active workforce	967	954	950	941	934
employed	899	880	874	863	860
unemployed	68	74	77	78	74
unactive population	767	767	775	807	828
in percent (%)					
activity rate	55,8	55,4	55,1	53,8	53
Employment rate	51,9	51,1	50,7	49,4	48,8
unemployment rate	7	7,8	8,1	8,3	7,9
female					
working age population (+15)	1 979	1 970	1 960	1 972	1 973
active workforce	821	821	817	820	822
employed	734	728	737	745	734
unemployed	87	93	80	75	88
unactive population	1 158	1 148	1 143	1 152	1 151
in percent (%)					
activity rate	41.5	41.7	41.7	41.6	41.7
employment rate	37.1	37	37.6	37.8	37.2
unemployment rate	10.6	11.4	9.8	9.2	10.7

Source: Croatian Bureau of Statistics (DZS)

3.5 Development of small and medium sized businesses (SMEs)

In Croatia a total number of 886,000 people are employed in 170,000 SMEs[1]. Trade and small trade (respectively simple services) approximately have same sized shares of the SMEs. Next to 1,100 cooperatives there are 35,000 independent entrepreneurs.

The sector of “small and medium sized enterprises” plays a very important role in the city’s economy since according to Chamber of Trade data this segment holds 99.1% of Zagreb’s entrepreneurs (small businesses 97.4%, medium sized businesses 1.7% referring to the total number of businesses registered in Zagreb). SMEs generate 40% of the total turnover in relation to the national GDP (small businesses amount to a share of 24.5%, medium sized ones of 15.5%). 50.9% of all employees work in SMEs (36.5% of employees in small and 14.4% in medium sized businesses).

Since 2002 the Republic of Croatia supports small and medium sized businesses by introducing one uniform legal foundation for subsidisation.

Comparing data from Ministry of Economy of 2002 and 2009 the development of SMEs in all of Croatia shows a slight rising tendency: In 2009 99.7 % (2002: 99.62%) of registered businesses were SMEs, in which 66.3% (2002: 61.1%) of the labour force were employed. Their share in the total export of Croatia amounted to 42.1% (2002: 25%) and 50.3% (2002: 55%) of the total Croatian GDP was generated by SMEs.

3.6 Sectoral and spatial distribution of SMEs

[1] Definition: Small and medium sized businesses are businesses with a maximum number of 50 employees.

It has been mentioned before that Zagreb is the political, administrative and economic centre of the Croatian Republic. Its transport and communication structures are well developed, it displays the highest concentration of well-trained and qualified workers and comprises the highest number of universities and other educational institutions in the country.
[HGK]

80.55% of all the city's small and medium sized enterprises are to be found in the following four lines of commerce and industry: 35% in retail business, 22% in real estate market, 13.2 % in industrial production and 10.35% in the construction sector. Apparently these industries display the best prospects for future growth and current market potential.

There is no data concerning the spatial distribution of SMEs since neither administration nor the contacted scientific institutions have relevant information or geographical material. Furthermore hampering to the generation of topical material is the fact that Zagreb is still geocoded as one single spatial unit. Thus, consulted experts responses are restricted to rather general statements e.g. that SMEs are scattered across the whole city or have settled wherever suitable space has become available. A new municipal project is planning the development and allocation of industrial sites in Zagreb. This issue will be addressed in more detail in chapter 5.9 "zoning plans".

On a national level, however, it is possible to give some facts: 33% of all Croatian small and medium sized businesses are situated in Zagreb, in the area of Split only 10.9%, in the area Promorje-Gorski Kotar 9.4%, in Istria 9.2%, in Zagreb county 6%, and in the Osijek area as few as 4.3%. All other 15 counties accommodate 27.2% of the SMEs as to data of the Ministry of Economy.

3.7 Recent changes

Even though SMEs are rather flexible and dynamic in their development they are most vulnerable to the current crisis. Many problems that SMEs in various lines of business had to deal with anyway in recent times (lack of solvency, access to assets, more expensive or inefficient governmental administration, etc.) have been aggravated by the global crisis.

The impact of the global credit crunch on entrepreneurial activity especially shows in the decline of industrial production or more severe loss in revenue in all areas of retail trade as well as decreasing revenues of businesses involved in the tertiary sector. As a result SMEs have to restrict their own investment activities considerably. This can mostly be attributed to severely rising interest rates for loans of all kinds in recent times. Hence, a high number of businesses are exposed to the risk of short- or medium-term insolvency. Generally lower economic activity furthermore shows on the labour market: unemployment rates are rising again, while the number of employed people is dropping – this regards all sizes and forms of businesses in the country but especially small and medium sized businesses since their savings and leeway are more limited than those of big companies. [HGK]

Analysing the economic situation of small and medium sized entrepreneurs for the first 9 months of 2009 resulted in the following (data provided from Ministryof Economy):

- Total revenue dropped by 10.97%,
- SMEs generated most of their income nationally, hence are strongly dependent on domestic demand, which has dropped by 11.46%
- Capital expenditure shrunk by 9.15%, gross earnings by 34.37%
- Investments in domestic capital assets diminished by 13.15%
- The average wage of a worker in small businesses rose by 3.56%.

4. Profiles of ethnic entrepreneurship

4.1 Definition of ethnic entrepreneurship

The notion of „ethnic entrepreneurship“ is not in use in the entire national or municipal administration. At most it is to be found in scientific respectively theoretical discourse. According to the OKZ (Chamber of Trades and Crafts) in Zagreb business and entrepreneurs are solely recorded and differentiated by strictly economic criteria such as line of business, company size, revenue etc. As a matter of principle data referring to ethnicity or the like are not recorded at all.

The Institute for Migration and Ethnic Studies (IMIN) explains that the term „ethnic entrepreneurship“ is neither commonly used by the population nor a part of the Croatian economic vocabulary because of Croatia’s unique historical and socio-political development during the last 20 years. The decline of Yugoslavia was on one side a transition from planned economy to capitalist economy but on the other the war also has to be characterised as an ethno-national conflict. Therefore the notion “ethnic” is still delicate and is perceived in a negative way. It is also rather difficult to find a Croatian term for it, especially since what the term describes is not supposed to matter officially. This is exemplified by the non-existence of this term with reference to ethnic economy or entrepreneurship. Hence, in post-war Croatia there were not and will not be any surveys on this sensitive matter.

As a result, certain substitutes have developed in order to refer to specific ethnic groups which specialised in specific lines of business or business concepts and which convey their origin: IMIN listed the following: “Newly settled migrant communities” (novouseljene migrantske zajednice), „minority professions “ (manjinska zanimanja), „the small business“ (aktivnost na malo) and respectively the „small sale“ (trgovina na malo). The latter mainly refers to pastry shops, bakeries, goldsmiths and craftwork, all of them lines of business predominantly run by Albanians. Other minorities also specialised in specific business areas such as Roma on collecting recycling materials or Chinese on clothing shops or ethnic restaurants. Yet, due to the reasons stated above there is no official term for these economic activities in which mainly ethnic minorities or migrants engage in.

4.2 Development of ethnic entrepreneurship

Since in Croatia neither the term nor the concept of “ethnic entrepreneurship” is applicable on the administrative-political level, nor a research focus exists in this area, there is no scientifically grounded data available on this subject from the Ministries side.

4.3 Sectoral and spatial distribution of ethnic enterprises

Neither on the scientific, nor on the side of national or municipal administration is there an institution gathering exact data on ethnic affiliation as IMIN informed us. According to Croatian understanding (and thus according to the definition of official statistics) an entrepreneur is an entrepreneur, irrespective of his or her origin. This is why it is difficult to quantify in which lines of business ethnic entrepreneurship is stronger or weaker and whether there is a spatial pattern concerning this. Only experts’ experienced data can be rendered, which at least give an impression which national minority operates intensively in which line of business: as mentioned in 4.1 Albanian minorities have specialised in pastry shops, bakeries, goldsmiths and craftwork, whereas Bosnian Muslims dominate the carpet business. Roma engage in the area of collecting and the trade with recycling materials, while Chinese mainly appear in the field of low-price textiles or as operators of restaurants. Furthermore, Zagreb, like many other European cities displays a boom in “ethnic-fast-food”, led by Kebab take-away, which are run by Muslim Bosnians. Considering the favourable prices, the quite good quality, and the long opening-hours further growth is to be expected in this segment.

4.4 Ownership of ethnic businesses

Unfortunately, according to the Ministry of Economy, Labour and Entrepreneurship it is also not possible to discern the number of owners of ethnic businesses since such data is not gathered when registering a company. For the same reason no statements can be made regarding mixed-ethnic businesses or franchise-shareholdings.

4.5 Reasons for entrepreneurship career

According to expert opinions networks within one respective ethnic community play an important role in starting a business. Next to experience and traditions the relevant knowledge within the ethnic community or family concerned is passed on and the corresponding client base can be found here.

Certain cultural or religious values can also be important (e.g. halal-treatment of food etc.). Considering for example bakery trade in Zagreb: traditionally it is tightly in Albanian hand. The client base however far exceeds the Albanian community. These bakeries, scattered across the whole city are an important post in the supply of certain goods of daily demand.

In common perception and every-day life names and surnames are important indicators of ethnic affiliation or origin. Thus it cannot be ruled out that ethnocentrism has an effect on business life and may negatively or positively influence the success of an ethnic entrepreneur (negatively in regard to the autochthone population and positively in regard to the respective client base).

4.6 Market

Ethnic entrepreneurs are to be found in all lines of business and on all levels, yet primarily in the trade segment as well as in the food sector or in traditional crafts services (e.g. plumbing, shoemaking etc.). Since the area of premium business-related services is generally just developing in Zagreb the number of ethnic entrepreneurs is still low here.

4.7 Competition

As a rule ethnic entrepreneurs face the same market challenges as businesses run by locals. Nevertheless they may have to overcome some cultural barriers occasionally. [HUP] In ethnically dominated lines of business as the bakery trade this particular type of competition is less relevant. In the Chinese community in contrast the unusualness of their range of food or dishes may at the same time be an obstacle and a unique selling point against the backdrop of the ordinary offer. They in particular are not necessarily to be seen as competitors to the local market but rather as a rounding off the offer “downwards”. Facilitated by less rigid import regulations especially Asian suppliers have advantages in bringing their cheap goods into the market.

Albanian interviewee Ton Ljekaj who owns a small bakery chain with 2 shops and 8 employees since 23 years provides a tangible example. His employees work part-time in his bakeries but interestingly are all not from Albania. Ton does not care about ethnic affiliation as long as the performance is good. His son will take over the business soon and like his father he is going to feel the influence of the credit crunch: customers confine themselves to the most necessary (bread) and rarely linger to have coffee or lunch. In addition there is a growing competition by supermarkets and their extensive range.

This situation is difficult for him and all other Albanians who moved from the area of Zym (Kosova) and also from parts of Croatia. Many of them run the city's bakeries according to their traditional methods for years. Yet, this is not because they are part of a particular minority or because they are not native Croats but because of the generally tense economic situation of Croatia and intensified competition by large-scale retail businesses.

4.8 Workforce

There is a strong bond and a feeling of solidarity within the Albanian ethnic community, which can be attributed to the long period (and tradition) of migration to Croatia. This is also the social asset of this group and why it is possible to recruit the necessary workers "from one's own ethnic community" with almost no hesitation as we were informed by IMIN. However, this example cannot be applied to less well-connected or less well-integrated ethnic groups. There is no reliable data available to inquire about the origin or nature of the workforce.

4.9 Employment conditions and labour relations

Neither the questioned experts nor a corresponding survey could provide well-founded information on this matter. Nevertheless, experience shows that the proportion of employed family members is rather high in traditional small businesses.

4.10 Problems and barriers—general management

Concerning this subject matter no profound information was available. In contrast actual barriers, especially related to bureaucracy were pointed out (cp. 4.13).

4.11 Problems and barriers—financial management

One challenge that all SMEs face in times of the credit crunch is the granting of the necessary loans. According to Ministry of the Interior this general problem concerns ethnic and Croat entrepreneurs alike. However, according to the interviewed experts of IMIN, no difference is being made by the banks between native and ethnic entrepreneurs when granting loans.

4.12 Problems and barriers—marketing

Since the majority of ethnic business is located in lines of business concerned with the supply of goods or services of daily need (bakeries, pastry shops, restaurants, crafts and plumbing etc.) they usually do not struggle to find customers. Due to their widespread locations across the whole city they also reach enough inhabitants.

4.13 Problems and barriers—rules and regulations

According to experts' estimations of Ministry of the Interior almost all SMEs, irrespective of their ethnic affiliation struggle substantially with the multitude of bureaucratic rules and regulations, which increase from year to year. But since there are no special requirements or regulations for ethnic entrepreneurs it can be assumed that they face the same challenges as all other entrepreneurs. Based on the long tradition of ethnic businesses their operators are well organised and informed with regard to the constraints and regulations concerning their business.

Experience made by the interviewed Albanian baker provides insights into daily obstacles. Complaints were made about the substantial bureaucratic effort that has become necessary in the last years in order to comply with all constraints and regulations. At the same time administration officials who examine the entire equipment carry out check-ups and inspections more frequently. Maintenance is related to high costs and non-compliance comes with high fines. The earlier strategy to close the bakery for a short time if the regulations concerning food were not met is not possible anymore. Interestingly the interviewee assumes that his line of business would profit from EU membership of Croatia because not only would procurement cost of commodities decline but also aforementioned inspections would proceed uniformly with EU-standard. Hence they would be more transparent and related to less consequential costs.

4.14 Problems and barriers—bureaucracy and intermediary institutions

Nevertheless ethnic entrepreneurs may well have to overcome special obstacles when for instance opening a business such as administrative or legal ones e.g. long waiting times for certain licences. Furthermore, certain permissions or other initial investments require initial assets. These may be harder to get for ethnic entrepreneurs in small and medium sized businesses than for well-established companies.

Yet experiences recounted by an interviewed jewellery dealer are positive: by his own account, as a Bosnian, he never had to deal with any prejudice or problems. On the contrary, during the war he even was able to open up his business in one of the most popular streets of the city.

5. Rules and regulations, policies

This section describes and analyzes the state and non-state rules and regulations govern the SME sector in general and the ethnic SME sector in particular at the national and local levels and how have they shaped ethnic minorities' selfemployment trajectories? How have policy debates and interventions on (ethnic) entrepreneurship influenced the emergence of entrepreneurial opportunities—real or discursive—and further development of ethnic businesses?

5.1 Overall strategy

Concerning the integration of foreigners and ethnic minorities ethnic entrepreneurship is according to IMIN of great importance. In many cases merchants or service providers with a background of migration have specialised in particular consumer goods or services that are almost exclusively offered by members of this ethnic community. If e.g. a member of the Albanian minority opens a bakery in a so far undersupplied area of the city the local population will thus soon accept him. The association of nationality (Ethnicity) with specialisations and proficiencies thus generates a positive image of this minority in the native population's view. Hence, in this context ethnic entrepreneurs are themselves the leading forces in terms of integration because they are placed in direct contact and direct exchange relationships to the Croatian urban population.

5.2 Objectives and dimensions

The Ministry of Economy, Labour and Entrepreneurship each year publishes (support) programmes for SMEs. These involve projects and strategies that are designed to offer SMEs financial and organisational support in order to sustainably strengthen their competitive position. In this way help is actively offered when it is about improving to define and find your own target group or the management of the company.
The following different programmes are being offered by the city of Zagreb:

- Promotion of trade development in small and medium sized businesses (http://www.zagreb.hr/default.aspx?id=13347)
- Enterprise Zone Development Programme (http://www.zagreb.hr/default.aspx id = 862)
- Employment Promotion Programme for the city of Zagreb

All mentioned programmes and strategies target SMEs irrespective of the entrepreneur's ethnic origin. Special programmes or funding frameworks designed for ethnic entrepreneurs do not exist.

5.3 Main actors

Consequentially ethnic entrepreneurs are not included in a wider strategy or agenda for integration initiated by municipality or government as IMIN explained to us. It remains to be discussed if they are content with their achieved level or if they are not able to proceed to expanding to "large entrepreneurship" because they still lack the population's necessary acceptance and support from the authorities. This could be achieved by customised measures of support and integration.

Especially with regard to the Serbian minority Serbian ethic entrepreneurs can positively contribute to (re-) integration in hiring Serbian repatriates who had to leave Croatia during the war. In this context also the "**Serbian National Council (srpsko narodno vijece)" must be mentioned.**

5.4 Targets

According to the Ministry of Economy concerned support measures and initial conditions are the same for all SMEs. According to scientific expert's opinion (IMIN) this is however the specific problem for ethnic entrepreneurs. There are no measures or programmes that take into consideration the unique situation of ethnic entrepreneurs and support them at the market. Normative regulations and small-scale politics that focuses on local problems and offers incentives for change might be able to redeem this.

5.5 Institutions

Some of the most important institutions or respectively organisations for entrepreneurs and owners of businesses are the Ministry of Economy, Labour and Entrepreneurship, the Croatian Chamber of Commerce and the Croatian Association of Employers. Also centres for entrepreneurs have been established on a local and regional level (so-called offices for development, aiming to help companies develop their business and find qualified staff). All these institutions help SMEs but fall short in addressing potential specific needs of ethnic entrepreneurs.

5.6 Access and involvement in policymaking

Ethnic entrepreneurs have the right to join the various associations of entrepreneurs. This right cannot be diminished or rejected if the entrepreneur is able to pay the related costs.
In none of the large federation of employers or employees (Chambers as well as trade unions) exist specific departments or programmes for ethnic entrepreneurs. Potential reasons are a comparatively small number of ethnic entrepreneurs on the one hand and on the other the situation that the related process of growing awareness is still at the beginning. This means that politics, administration and civil society will take time to slowly and gradually understand the relevance of strategies and measures for integration.

5.7 Formal access to entrepreneurship

Each entrepreneur in Croatia has to register his or her business according to uniform regulations and criteria. Formally no difference is being made between ethnic entrepreneurs and others the Ministry of the Interior informed us. Every kind of registration a business requires the listing in the corresponding register, according to line of business and type of business. Legal bodies have to register at the appropriate Commercial Court, craftsmen at the district office or the office of the City of Zagreb.

In order to apply as entrepreneur residency in Croatia has to be verified. Also mandatory requirements and criteria related to carrying out the respective economic activity or respectively the business have to be met. Depending on these there are special licences and qualifications that have to be held by the applicant. These are clearly defined for each line of business. All regulations and licences apply for all entrepreneurs alike and no difference is made regarding ethnic origin or affiliation said the representative of the Ministry of Economy.

5.8 Rules and regulations

There are generally no laws or regulations referring explicitly to SMEs in Croatia. Instead they are applicable to all companies alike. Thus large enterprises are subject to the same provisions as small or medium-sized businesses. Again there are no regulations referring to ethnic entrepreneurs.

Yet, among the numerous number of rules and regulations there are some more relevant to SMEs than others. The following illustrate this:

- Law on the Support of Small Business Development (Official Journal Nr. 29/02 and 63/07)
- Law for Crafts (Official Journal 77/93, 90/96, 102/98, 64/01, 71/01, 49/03, 68/07 79/07)
- Law for Trade („Official Gazette“, Nr. 111/93, 34/99, 121/99, 52/00 – Decision by USRH, 118/03, 107/07, 146/08 and 337/09)
- Order on Governmental Allowances (Official Journal Nr. 50/06)
- Decision on the Disclosure of Regulations and Conditions for Small-scale Allowances (45/07)
- Decision on the Preliminary Regulation for Governmental Allowances Supporting the Access to Additional Assets in the Current Financial and Economic Crisis (Nr. 56/09)

5.9 Zoning plans

The Ministry of Economy, Labour and Entrepreneurship is currently carrying out a project aiming at developing strategies concerning how to develop industrial sites in parishes and districts quickly, demand-oriented and sustainable. It is decisive that local stakeholders and administrations are to be involved in the process and decisions shall not exclusively be made by the highest authorities. This signifies an important step towards diminishing unemployment und rising the number of independent businesses in certain, especially economically underdeveloped areas. Direct investments in these industrial sites are to create incentives for the development of SMEs. Such support measures, which are not limited to Zagreb, may of course also have a positive effect on the development of SMEs in certain areas of the capital. Specific promotion of ethnic entrepreneurs is not explicitly planned here.

In may 2008 the City of Zagreb has founded the Development Agency Zagreb „TPZ d.o.o.", a private corporation (limited company) for the support of research and development of SMEs in the area of technology. Their range of duties include "zoning plans" as well, since holistic support also covers finding suitable and inexpensive office spaces and plant areas. What is more, warranties for commercial loans are provided, consulting on introducing quality management systems (ISO 9001 und 14001) is offered, development projects and scientific and respectively economic surveys are subsidised. In addition projects are financed by EU funds. From 2000 to the end of 2009 „TPZ" provided 12,219,335 Kuna[2] for various different projects. Thereof 9,681,223 Kuna derived from the City of Zagreb and 2,538,112 Kuna from a variety of ministries.

5.10 Sectoral rules and regulations

According to experts of the Ministry of Economy there are no measures or regulations in any economic sector that have – indirectly or directly – contributed positively or negatively to ethnic entrepreneurship.

5.11 Business acumen

Croatia has numerous authorities, governmental offices and institutions designed to specifically support and promote businesses (especially SME) such as start-up centres, technology parks, associations or the in 5.9 mentioned „TPZ". Their support comprises imparting basic knowledge in brochures, the internet etc., as well as hands-on assistance with specific problems, the development of business plans or the allocation of office spaces and plant areas. Essentially these form the publicly provided foundation for starting and developing a business said the Ministry of Interior representative.

The ethnic entrepreneur Emir Akšamija, owner of a firm called INEN, presents his very innovative business idea. Instead of settling in a traditional line of business the Bosnian entrepreneur went for a very future-oriented niche - that is selling knowledge. He took over the 2002 founded company in 2005 and expanded the business idea, which is based on applying for subsidised research projects from various relevant areas and carrying them out with a set of qualified and occasionally employed experts.

Additionally he can resort to an international network of members of the project team (approx. 300), who are consulted according to qualification and need. Currently, there is very good project collaboration with Czech partners on an EU-funded project aiming at the reduction of carbon dioxide emissions in public transport.

INEN is also sponsored by investors from the private sector but mainly by subsidised research projects. For the future it is planned to focus on EU-funds because these bigger resources enable more long-term planning and working. However, INEN is not a purely scientific institution but wants to sell on the gained knowledge to interested companies or public institutions. Quick market-orientation and flexibility as well as a broad interdisciplinary

[2] The exchange rate Kuna-Euro was 7.2514 on 30-08-2010.

network of highly skilled partners are essential here. Continuous analysis of the market is furthermore vital in order to find out which niches and subjects can be profitably worked on.

5.12 Finance

As previously mentioned there are no specific measures designed for ethnic entrepreneurs. In the following important aspects of the framework that apply to all businesses will be presented. In collaboration with the local and regional administrations the Ministry of Economy, Labour and Entrepreneurship has initiated a project for the easy granting of micro- and small loans (up to 200,000€). The Ministry ensures an interest rate of 7% at maximum (payback within 5 years at maximum).

Similarly the Croatian Bank for Reconstruction and Development has introduced several programmes concerning loans for SMEs. There are initiatives such as “Loans for Beginners”, “Microloans”, “Permanent Floating Assets” to name only few.

The City of Zagreb participates in carrying these measures’ cost for supporting SMEs proportionately. During the time of 2000 to 2009 877 loans with a total volume of 1,001,171,035 Kuna have been granted. SMEs that utilise such loans occupy 7,653 people and after the implementation of further development projects for businesses the number of employees should increase by another 3,536. By means of these support measures the number of employment in beneficiary SMEs should be increased by 46% (corresponds to 11,189 employees in total). An analysis at the end of the time period showed that 2,959 new employees could be hired and thus the set goal was almost met.

In order to further improve the granting of loans for businesses and offering acceptable conditions the City of Zagreb participated in 2 projects by the Ministry of Economy, Labour and Entrepreneurship in July 2009. These projects are called “Local Development Projects – Microloans” and “Local Development Projects for Small Enterprises”. In the course of these commercial banks could be won over for the implementation of these offers and appropriate contracts between them and the ministry ensure their long-term involvement.

The total of loan resources for the implementation of these projects is 330,000.000 Kuna. Thus, in the framework of the project “Microloans” loans with the amounts between 35,000 and 200,000 Kuna may be claimed. They are to be paid back after 5 years with an interest rate of 9% whereas the ministry and the City of Zagreb subsidise the latter by one percentage point.

The project “Local Development Projects for Small Enterprises” offers loans from 200,000 to 5,000,000 Kuna. Duration is set to 10 years with an interest rate of 9%, too. Of these 9% usually a minimum of 2% are subsidised by the supporting institutions. But depending on the target group subsidies may be higher: women, young entrepreneurs, veterans, new technologies or social services for instance receive additional funding from the City of Zagreb so that the applicant may have an interest rate of 3.5% p.a. finally. In this manner from 2000 to the end of 2009 57,857,839 Kuna have been granted. Thereof the City of Zagreb contributed 33,165,656 Kuna (57%) and the participating ministries 24,692,182 Kuna (43%).

Another support measure is the allocation of scholarships for economic innovations. SMEs that specialise in new technologies or production or implementation of innovative product may apply for these grants. This measure exists since 2001 in the capital, which thus wants to employ innovation and cutting edge technology as main economic location factor in order to secure the city’s competitive power.

In the course of this project funds of 3,466,382 Kuna have been made available from 2001 to the end of 2009. In total 108 innovations have been prized. 70 subsidised innovations or projects have focused on the local Croatian market (64.81%), 31 (28.7%) were able to break into foreign markets, thus had international reach (the other prizes for innovations refer to subsidised youth projects).

In November 2009 a new announcements of the granting of support for innovators had been made. Within this call for tenders 36 grants or respectively subsidies of 320,815 Kuna each can be awarded.

SMEs may furthermore apply for allowances if they have handicapped people among their staff. In order to secure the existence and future development of such companies allowances of 18,691,150 Kuna in total have been granted since 2004 (1,849 grants in total). Support of these businesses mostly aim at their development and hence support has a broad range: supply with adequate equipment for the plant, office facilities, adjusting the work place to handicapped' needs, training of handicapped staff and people, training of scientists, commercial activities. Furthermore training to increase the quality level is subsidised as well as regular costs (rent, operating expenses etc).

Also in 2009 a call for tenders for the allocation of funds for craftsmen has been announced. 414 applications have been registered and they are still being processed. The funding project is designed to secure the existence of businesses engaged in certain crafts.

In the face of the current global credit crunch and the goal to overcome the resulting economic recession a crisis fund has been established. It includes a catalogue of measures for entrepreneurs to secure and support SMEs. Part of this initiative was the creation of an investment fund to help and secure economic endeavours of great economic importance for Zagreb. For this 20 million Kuna are allocated per year. The call for tenders for the allocation of these crisis funds was carried out accordingly on the 20th of Mai 2009 and took until the 20th of July 2009.

511 businesses applied at the Ministry of Economy, Labour and Entrepreneurship and 402 where found to be worth of support. The list of 402 proposed entrepreneurs that the 19,652,000 Kuna will be distributed to has still to be approved by several committees before the allocation of funds can take place.

Another interesting initiative is the programme „Towards a Competitive Production with Cluster" („Clusterom do konkurentnog proizvoda"), which is financed and organised by the Chamber of Trades and Crafts, the City of Zagreb, the Craftsmen Association Zagreb („Udruženje obrtnika Grada Zagreba") and the administrative unit Zagreb and Krapina.
The project is designed to help SMEs connect on a local and regional level in order to form competetive clusters. In this context viability studies concerning cluster development in different industries in the area of Zagreb have been carried out: the Centre of Technology Transfer in the Faculty of Mechanical Engineering and Naval Architecture at the University of Zagreb has for instance designed a study on sector-specific topics.

The initiative „Clusterom do konkurentnog proizvoda" supports e.g. the expansion of an existing cluster programme, which had been initiated a few years ago when the „Centre for Mechanical Engineering and Tool Production LLC" was founded and which has been expanded concerning it's original aims and responsibilities. The founding companies of the initial praogramme are now likewise integrated in the cluster, which will now be called „Cluster prometnih sredstva, alatnih strojeva i alata" ("Cluster of Transport, Machine Tools and Tools") In addition, the Centre of Technology Transfer will be involved in order to achieve more efficiency and also to offer as many SMEs as possible better chances to develop through the aspired technology and knowledge transfer.

Such programmes are designed to boost general synergies in promising lines of business on the one hand and enable strategic links between administration, research and SMEs on the other. Whoever receives grants through these programmes is obliged to active collaboration. Next to the development of new projects and programmes this also implies (further) training measures.

In total 1.1 million Kuna have been invested in the presented project, the City of Zagreb's share is 610,000 Kuna.

An interesting example for the participation of banks in the presented support programmes is Tesla Bank, whose founder is part of an ethnic minority himself. Tesla Bank has the following strategic agenda:

Tesla Bank's objective is providing financial assistance to the Serbian returnees who are interested in starting a business. This bank should start working in the fall of 2010 (which means it was not working at the time of our field visit) and offers the following:

- Development and granting of loans to areas that are still economically weak due to the consequences of the war,
- Granting of loans with low regulations or respectively criteria – allocation of microloans to private households,
- Granting of loans to small and medium sized businesses,
- Granting of loans to family enterprises (agricultural businesses),
- Strengthening the general economic relations between Croatia and Serbia, here the interregional cooperation with adjacent regions of the neighbouring countries is especially emphasised.

Additionally, in recent times banks like Tesla increasingly try to enable young people to receive an education without financial risks involved. This strategic planning aims at saving one's own ethnic minority from derailing into poverty. Due to frequent specialisations in certain lines of business that are less profitable big parts of certain national minorities are especially at risk. These "economic traditions" are particularly dangerous during global financial and economic crises. The strong affinity to certain lines of business is traditionally established and often hampers economic growth and the expansion of companies as an IMIN expert explained.

Photo 1: Logo of Tesla Banka on a brochure[3]

The interviewee Edib Ahmetašević, fim producer and owner of a jewellery however belongs to the group of small entrepreneurs who have not yet received sustainable support despite the extensive support measures and credit accommodations. According to his experience it is nearly impossible to be granted a fund for a business that is constantly in loss and engaged in a less innovative line of business. For him there are no mechanisms for long-term assistance but merely other financial aid in insufficient sums. Even though this is a non-representative singular case in the course of the survey the example clearly illustrates that –irrespective of the entrepreneurs' ethnical background - despite broadly designed support strategies not every enterprise can rely on adequate aid.

5.13 Business locations

Since 2005 the programme for promotion and development of areas zoned for economic activities in Zagreb offers businesses financial aid for building or acquiring office space. Better buying or leasing conditions are enabled and the programme clearly defines which company in which designated area is allowed to rent or buy. Owing to the specific structure,

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[3] For details compare www.snv.hr/snv/tesla-banka-nasa-banka (Homepage of Tesla Bank).

mode of work and needs of the City of Zagreb, as well as the high costs of land and infrastructure such zoned areas for economic activity have great relevance. Business involved in the production and development of high-quality products, technologies and services are treated with priority in this programme. Especially those in the high-tech-area meet the programme's criteria and are placed into the new zoned areas as forward-looking enterprises. [City of Zagreb]

5.14 Access to employment with ethnic businesses

The current situation at the labour market is generally very strained because of the credit crunch. Since the beginning of 2010 more than 10,300 employees have been laid off and according to IMIN prognoses indicate that this trend will aggravate further. Naturally this development also affects ethnic entrepreneurs, however there is no data on that. Based on Zagreb's industrial structure seasonally dependent occupational areas (e.g. construction workers, landscape work etc.) are scarce and unemployment rates are thus barely subject to seasonal variations.

5.15 Staff matters

Also in this area no measures have been introduced yet, since no official categorisation of employees according to their ethnic or migration status is being made.

5.16 Marketing

Specifically designed for SMEs are the projects "Promotion of Small Businesses' Competitive Power" and "Marketing Activity" by the Croatian Ministry of Economy project. Both are to improve businesses' ability to market themselves and their products in order to strengthen their competitive power in a sustainable way.

Aside from topic-related training courses and workshops, participations in trade fairs, exhibitions, rental fees for halls, advertising material, marketing research as well as the creation of a corporate identity and of corporate design is co-financed. These offers are open for Croatian and ethnic entrepreneurs alike as the Ministry of Economy informed us.

5.17 Transnational economic connections

In terms of ethnic entrepreneurship especially Chinese businessmen possess a well-working network of transnational economic relations. Its impact shows in the import of cheap Chinese goods via other Chinese intermediaries. Apart from that local economic anchoring dominates.

5.18 Training and management support

Centres of Commerce and agencies for regional development offer all interested companies different ways of training in general business administration or concerning specific management matters.

5.19 Illegal and informal practices

Neither from experts of ministries or the Chamber of Commerce nor from the interviewed entrepreneurs it was not possible to obtain detailed information concerning illegal methods.

Merely the manager of INEN, introduced in 5.11, mentioned methods concerning his specific operational area: sometimes in the course of projects contacts to businesses develop, which despite regulated quality directives or laws do not abide by these or consciously work around them. Such illegal methods usually refer to non-compliance with ISO-norms or lacking quality management. Even though this enables cheaper offers it is a high risk because of non-standardised working processes and possible quality deficits: "This is why a precise research is necessary because if you know these "businesses" you know in advance that you rather should not have anything to do with them." says Emir Akšamija in this context.

5.20 Non-action

Generally all administrative offices and institutions deal with the issues of ethnical entrepreneurs if they fall in their respective area of responsibility. Individual decisions may of course diverge from case to case but as stated before no difference is being made in terms of ethnic affiliation.

5.21 Dialogue

A dialogue specifically centred on ethnical entrepreneurs does not exist between the various administrative institutions and/or special interest groups of employees and employers or the Chamber of Commerce etc.

6. Other

6.1 Summary and conclusions

In conclusion it can be said that since 2000 numerous measures have been introduced to stabilise the Croatian economic, financial and labour market. Institutions have been founded or reorganised in order to increase economic efficiency and steered officials into new, more efficient and more innovative directions. Programs have been successfully initiated and brought about very good results, e.g. in the field of economic subsidies.

Continuous increase of employment rates and the reduction of unemployment rates, as well as the general economic growth have been set back by the current global financial and economic crisis. Naturally this affects all businesses irrespective of whether they are run by Croats or migrants, or respectively members of national minorities

The fact that „ethnic entrepreneurship" as a term or a concept does not exist in Croatia is due to the recent past of the country. All public authorities, but interestingly also scientific institutions react very reserved and sometimes even with incomprehension to this term. The underlying reason is the still recent ethno-national conflict in the Balkan area. The legally grounded strategy to treat entrepreneurs equally irrespective of their ethnic or national origin has the positive consequence that it prevents discrimination of any kind. In the country's process of stabilisation and also with regard to the aspired EU-membership many changes can be expected concerning matters and activities of integration. These will affect the political-administrative as well as the academic level and thus bring the topic more to the front. Primarily in the research fields of migration, integration and urban research this need to catch up will soon be realised and met.

6.2 Good practices

Since there is no formal distinction between Croatian and ethnic entrepreneurs in Croatia no good practices could be deduced and developed.

6.3 Any other final comment or suggestion?

At this point two statements by the Chamber of Commerce and The Ministry of Economy, Labour and Entrepreneurship that address the content and direction of the CLIP-questionnaire are presented.

It is fairly obvious that the questionnaire has been designed for countries that have extensive experience in the area of ethnic entrepreneurship. According to Croatian standards the concerned topic is unprecedented. The reason is that Croatia cannot be categorised as a country that is attractive enough for immigrants and because the existing ethnic entrepreneurship has taken root in the country and the public perception over centuries. Due to the lack of data on ethnic entrepreneurship not all questions in the questionnaire could be answered neither by the Municipality nor by the Ministries. Especially this is why information, measures, rules and regulations for ethnic entrepreneurs are missing in several places.

Considering the prevalent legal framework in Croatia, which is that ethnic entrepreneurs are not differentiated from others and the fact that the questionnaire obviously derives from a country with a clear-cut migration policy and thus a higher number of ethnic entrepreneurs it was unfortunately not possible to provide detailed and exact answers to the questions in the questionnaire.

6.4 Interview partners

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Croatia also participates from 2007-2013 in the **EU's Competitiveness and Innovation Programme** (**CIP**) which is relevant for economic development. Detailed Information of the EU–program 'CIP' is gived by the Ministry of Economy, Labour and Entrepreneurship on their homepage (http://www.mingorp.hr/default.aspx?id=1833).

(http://www.mingorp.hr/UserDocsImages/program%20konkurentnosti%20i%20inovacija%20-%20broura%20final.doc)

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Foto 2: Chamber of Trades

Foto 3: Jana Radic at the Chamber of Trades

Foto 5: Scan of a picture of the building of the Chamber of Trades from a brochure

Ministry of Interior (MUP)
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Foto 6: The Ministry of the Interior

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6.5 Books and reports

- **www.hsd.hr *(Kroatische Soziologen Gesellschaft)***

HSD provides various scientific publications concerning national and international research in sociological matters.

- **http://www.srbi-zagreb.hr (Serbian National Council – "srpsko narodno vijece")**

about SNV (taken from homepage): Serbian National Council (SNV) is elected political, consulting and coordinating body acting as a self government of Serbs in the Republic of Croatia concerning the issues of their human, civil and national rights, as well the issues of their identity, participation and integration in the Croatian society. Serbian National Council was founded by virtue of the Erdut Agreement, which guarantees stronger local minority self government to Serbs. The SVN provides support and information to and about Serbs in many kind of affairs.

- **http://www.businessbus.org/**

The **Business Bus** was a three-month pilot project designed to explore whether a mobile team of business professionals could be a feasible means of providing business support to small firms throughout BiH. The project drew on best practices from the **UK's Business Link** model. Specifically, the project focused on relatively isolated and economically depressed areas in BiH." The project was funded by the **British Embassy** under its **Global Opportunities Fund for Reuniting Europe**. The Fund is, in part, a public diplomacy project designed to assist in the progress of Bosnia's accessions to the EU.

- http://www.zagreb.hr/default.aspx?id=680

(Council and Representatives of National Minorities)

- http://narodne-novine.nn.hr/clanci/sluzbeni/310287.html
  (Constitutional Law on National Minorities)

- https://e-uprava.apis-it.hr/gup/
  (Interactive map of Zagreb)

6.5 References

- http://www.zagreb.hr/default.aspx?id=681
  (The Council of the Albanian National Minority)

- http://www.zagreb.hr/default.aspx?id=689
  (The Council of the Serbian National Minority)

- http://www1.zagreb.hr/mms/index.html
  (International and national direct cooperation of the City of Zagreb)

- http://www.zg.hgk.hr/Pages.aspx?StartId=58&HeadId=1&LangID=1
  (Croatian Chamber of Economy/main information)

- http://www.een.hr/
  (Enterprise Europe Network)