Ethnic entrepreneurship

Case study: Bologna, Italy
In 2006, the Congress of Local and Regional Authorities of the Council of Europe, the city of Stuttgart and the European Foundation for the Improvement of Living and Working Conditions (Eurofound) formed the ‘European network of cities for local integration policies’, henceforth known as CLIP. This network comprises a steering committee, a group of expert European research centres and a number of European cities. In the following two years, the cities of Vienna and Amsterdam joined the CLIP Steering Committee. The network is also supported by the Committee of the Regions (CoR) and the Council of European Municipalities and Regions (CEMR) and has formed a partnership with the European Network Against Racism (ENAR).

Through the medium of separate city reports (case studies) and workshops, the network enables local authorities to learn from each other and to deliver a more effective integration policy. The unique character of the CLIP network is that it organises a shared learning process between the participating cities and between the cities and a group of expert European research centres as well as between policymakers at local and European level.

The CLIP network currently brings together more than 30 large and medium-sized cities from all regions of Europe: Amsterdam (NL), Antwerp (BE), Arnsberg (DE), Athens (EL), Barcelona (ES), Bologna (IT), Breda (NL), Budapest (HU), Copenhagen (DK), Dublin (IE), Frankfurt (DE), Helsinki (FI), Istanbul (TR), İzmir (TR), Kirklees (UK), Liège (BE), Lisbon (PT), Luxembourg (LU), L’Hospitalet (ES), Malmö (SE), Mataró (ES), Newport (UK), Prague (CZ), Strasbourg (FR), Stuttgart (DE), Sundsvall (SE), Tallinn (EE), Terrassa (ES), Turin (IT), Turku (FI), Valencia (ES), Vienna (AT), Wolverhampton (UK), Wrocław (PL), Zagreb (HR), Zeytinburnu (TR) and Zürich (CH).

The cities in the network are supported in their shared learning by a group of expert European research centres in:

- Bamberg, Germany (European Forum for Migration Studies, EFMS);
- Vienna (Institute for Urban and Regional Research, ISR);
- Amsterdam (Institute for Migration and Ethnic Studies, IMES);
- Turin (International and European Forum on Migration Research, FIERI);
- Wrocław (Institute of International Studies);
- Swansea, Wales (Centre for Migration Policy Research, CMPR).

There are four research modules in total. The first module was on housing – segregation, access to, quality and affordability for migrants – which has been identified as a major issue impacting on migrants’ integration into their host society. The second module examined equality and diversity policies in relation to employment within city administrations and in the provision of services. The focus of the third module was intercultural policies and intergroup relations. This final module looks at ethnic entrepreneurship.

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1 See also http://www.eurofound.europa.eu/areas/populationandsociety/clip.htm.
Acknowledgements

The Forum for International and European Studies on Immigration (FIERI) in Turin is one of the six expert research centres that provide research for CLIP, and the Forum is responsible for this report on Bologna. Together with the contact persons of the Municipality of Bologna – Chris Tomesani and Fabiana Forni (Municipal Office of Development, Intercultural Integration of Policies and Third Sector) – an enormous effort has been undertaken to find all necessary data on ethnic entrepreneurship in this city. Many officials and other parties involved with migrant entrepreneurs have been interviewed, as the list at the end of the report shows. They have provided reports, statistics and comments and the author is particularly grateful to all those who have cooperated in giving information, especially Fabiana Forni for coordinating the field visit and for providing the official documentation at the core of this report.

The author is completely responsible for the content of this report and for any mistakes it may contain.

Interviews were carried out by Francesco Tarantino.
This module of CLIP deals with ethnic entrepreneurship. It explores the development of ethnic entrepreneurship and reviews the role of policy interventions in that process. It is motivated by the desire of municipal, national and European governments and third-sector institutions to create an environment conducive to setting up and developing small and medium-sized enterprises in general, and ethnic businesses in particular.

Various components of the urban economy interact to produce a complex but also dynamic ecological system, dramatically affecting the political economy of cities and, in so doing, entrepreneurial opportunities. Following the Ethnic Entrepreneurship concept paper underpinning this fourth module (Rath, 2009), this report focuses on ethnic entrepreneurs in Bologna and the role of governmental and non-governmental regulation. The basic research questions are:

- What are the characteristics of the urban economy and what openings have emerged in the city since 1980? How has the political economy of Bologna evolved? More specifically, how has the SME sector developed, in general, in terms of numbers of businesses, volume of workforce, value of sales, variety of products and market segmentation, and what has been the spatial distribution, the distribution over the various sectors of the urban economy, and the ethnic, gender and age composition?

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

- 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 level and how have they shaped ethnic minorities’ self-employment trajectories? How have policy debates and interventions on (ethnic) entrepreneurship influenced the emergence of entrepreneurial opportunities – actual or theoretical – and further development of ethnic businesses? What policies can be found supporting access to employment for migrants in ethnic businesses?

This report gives an account of the state of affairs of ethnic entrepreneurship in the city of Bologna. Chapter 2 provides a brief overview of the characteristics of the (recent) immigrant population in this city. Chapter 3 deals with Bologna’s urban economy in general, giving details of its development, main industries and services, size and characteristics of the workforce, processes of development of small and medium-sized businesses, their spatial location and distribution.

Chapter 4 focuses on the profiles of ethnic entrepreneurship in Bologna. It describes the development, in quantitative terms, of ethnic entrepreneurs, providing statistics about business closures and so on. It also discusses problems and barriers that ethnic entrepreneurs encounter in Bologna, with regard to finances, general management, marketing, rules and regulations and bureaucracy.

Chapter 5, which constitutes the bulk of the study, concerns the municipality’s approach and policies towards ethnic entrepreneurship. On the basis of the so-called Common Reporting Scheme (CRS), used for all CLIP research into cities, and of the data collected during the field visit, information is provided on the institutional framework of SME policies in general and for ethnic entrepreneurship in particular, as well as on the main actors involved in this policy field at a national and, most of all, local level. Some relevant policies and best practice examples are also reported. Concluding remarks on this case study are in Chapter 6.
Profile of Bologna

Bologna is the capital city of the Emilia Romagna region in central Italy. The province of Bologna has experienced substantial urbanisation since the end of the Second World War. However, since the beginning of the 1970s, residents have been leaving the city in favour of the other municipalities in the area (Anderlini, 2003) and as at 31 December 2009, the total population of the city of Bologna was 377,220.¹

In Bologna, immigration started in the 1970s, mainly comprising students and political dissidents from Greece, Chile, Argentina, Iran and Palestine. These inflows point to two of the main features of the city. The first is the large student population attracted by the University of Bologna: students account for about 20% of the city’s total population (Decimo, 2003). The second feature is the presence of well-established, influential left-wing political organisations and trade unions, making it attractive terrain for political dissidents. Indeed, the Communist Party governed the city from the end of the Second World War until 1999, when a right-wing civic list won the election and governed for five years. One of the main consequences of the long-lasting predominance of the left-wing parties is that Bologna is one of the most advanced cities in Italy in terms of local welfare and public social services.

As of 31 December 2009, there were 43,600 foreign residents in the city of Bologna, an increase of 10.5% compared with December 2008, with an incidence in the total population of 11.6%. The rise in the number of foreign residents in Bologna has been rapid: 202% between 1999 and 2009. In terms of gender, since 2002 the number of women has overtaken that of men, and in 2009 foreign women represented 52.2% of the total immigrant population resident in the city, even though there are relevant differences across the various nationalities. Women make up the majority of eastern European, Asian and South American immigrants, while men prevail among North Africans, Sub-Saharan Africans and Middle Eastern immigrants. The number of second-generation migrants is also increasing: in the year to 31 December 2009, 752 babies were born to foreign citizens, up 29.6% on the previous year, and representing almost one-fourth (23.6%) of all births in the city in 2009. The largest groups are from Romania and the Philippines, as Table 1 shows.

Table 1: Foreign residents in the City of Bologna by nationality (31 December 2009)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>5,796</td>
</tr>
<tr>
<td>Philippines</td>
<td>4,416</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>4,102</td>
</tr>
<tr>
<td>Morocco</td>
<td>3,259</td>
</tr>
<tr>
<td>Moldova</td>
<td>2,651</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2,542</td>
</tr>
<tr>
<td>Albania</td>
<td>2,380</td>
</tr>
<tr>
<td>China</td>
<td>2,361</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1,717</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1,314</td>
</tr>
<tr>
<td>Poland</td>
<td>1,149</td>
</tr>
<tr>
<td>Tunisia</td>
<td>1,079</td>
</tr>
<tr>
<td>Serbia and Montenegro</td>
<td>964</td>
</tr>
<tr>
<td>Peru</td>
<td>939</td>
</tr>
<tr>
<td>Eritrea</td>
<td>774</td>
</tr>
<tr>
<td>All nationalities</td>
<td>43,600</td>
</tr>
</tbody>
</table>

Source: Municipality of Bologna

¹ [http://www.comune.bologna.it/iperbole](http://www.comune.bologna.it/iperbole)
Foreign residents in the city of Bologna are, on average, younger than Bolognese citizens (32.6 years old as opposed to 47.4 years old). Foreign residents make up 25.2% of the population of those aged between 25 and 34, which is considerably higher than the incidence of foreigners in the total population (11.6%).

In terms of territorial distribution in the city, as of 31 December 2009 the highest percentages of foreign residents could be found in the northern part of Bologna, in districts such as Bolognina (18.7%), San Donato (13.9%), Santa. Viola (12.9%), Irnerio (12.7%), Lame (11.9%), San Vitale (11.8%), Corticella (11.7%), Borgo Panigale and Saffi (both 11.6%).

With regard to the province of Bologna, which includes the city, as of 31 December 2009 the foreign resident population was 86,700, or 8.8% of the total resident population of the area. As will be made clear below, data on the labour market and urban economy in general refer to the province rather than the city proper.
Historical development

The historical development of Bologna’s urban economy goes back to the 16th century, when the city was a major industrial centre specialising in the production of silk thread and voile. The main innovation was the advanced technology of silk mills and the widespread network of underground ducts to distribute water to the mill wheels. This all contributed to make Bologna an international capital of trade and commerce. At the end of the 18th century, though, the silk economy collapsed, causing a profound crisis of deindustrialisation and impoverishing the city. In this same period, a ‘landed property revolution’ was under way in the countryside, after the suppression of the religious orders and the confiscation of their properties during the Napoleonic era. The urban area lost its importance as a site for industrial manufacturing, while large sums of money began to be redirected towards the land due to the high profits that such investments guaranteed. The availability of manpower, at a lower cost than in the city, favoured the emergence of a rural proto-industrial sector and the location of manufacturing industries in non-urban areas. It was outside the city walls that the industrial revolution began for Bologna in the second half of the 19th century.

In contrast with north-west Italy, the industrial development of the Bologna area was characterised from the very beginning by a tight network of small businesses and a fragmented home-based mode of production – similar to the model prevailing in the regions of north-eastern Italy. Between the First and Second World Wars, the average local business had just five employees (Campigotto et al, 2000, p. 60). The range of local products was already quite extensive, ranging from the motor industry (Maserati was founded here in the 1920s) to packaging, food and pharmaceutical products. But it was in the 1970s that the industrial district of Bologna became one of the most emblematic export-oriented areas of the country. This was due to an extended network of small and medium-sized enterprises which was able to ensure high-quality, extremely flexible and diversified production. A case in point is the automatic packaging machinery industry. Starting from the two main companies founded before the Second World War, a number of small handicraft industries developed that specialised in different products from their parent companies and were able to satisfy the needs of different clients. The strong orientation of this type of production towards foreign markets can be evinced from the 2000 data (Campigotto et al, 2000, p. 170): in that year, electronic and mechanical machines accounted for 70% of all exports from the province of Bologna, followed by fashion (10%) and food products (3%). Some 55% of Bolognese exports went to EU countries, 12% to the rest of Europe and 10% to the US.

While maintaining their competitiveness on the international market, the small and medium-sized firms of the Bolognese industrial district have been undergoing profound transformations in the past three decades. From 1981 to 1992 there was a drop of about 20% in the number of both firms and employees (Curti and Grandi, 1997, p. 134). At the end of the 1990s, the shrinkage of the industrial sector went hand in hand with a growing tertiarisation of the Bolognese economy. A comparison of the 1991 and 2001 census data (Camera di commercio, 2002, p. 13) reveals a reduction in the number of productive units in the industrial and trade sectors (-9.9% and -13.7% respectively), while there was an increase in the services sector (+10.4%), which includes the categories of hotels and catering, transport and communications, real estate and financial services, services for business and professional activities, as well as education, health and personal care services. Moreover, according to the Business Register, about 128,000 workers were employed in industrial activities in September 2003, a 3.6% drop compared with the previous year (Camera di commercio, 2003, p. 10).

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4 Information on the historical development of Bologna’s urban economy has been drawn from Curti and Grandi (1997) and Campigotto et al (2000).

5 For the history of the Bolognese packaging industry, see Curti and Grandi (1997).

6 ‘Productive unit’ refers to the physical site where the production of goods or service is carried out (such as a factory, shop or hotel)
Size and characteristics of the workforce

According to the most recent available data (Camera di commercio, 2009b, p. 61), the workforce in the province of Bologna numbered 457,900 in 2009. Table 2 shows the distribution by sector of activity in the period 2005 to 2009.

Table 2: Workforce in the province of Bologna by sector of activity, 2006–2009

<table>
<thead>
<tr>
<th>Sector</th>
<th>2006 (%)</th>
<th>2007 (%)</th>
<th>2008 (%)</th>
<th>2009 (%)</th>
<th>% variation 2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>2.7</td>
<td>1.8</td>
<td>1.4</td>
<td>1.6</td>
<td>+0.2</td>
</tr>
<tr>
<td>Manufacturing industry</td>
<td>26.8</td>
<td>27.4</td>
<td>25.6</td>
<td>23.6</td>
<td>-2.0</td>
</tr>
<tr>
<td>Building</td>
<td>6.1</td>
<td>7.4</td>
<td>7.4</td>
<td>7.0</td>
<td>-0.4</td>
</tr>
<tr>
<td>Services</td>
<td>64.5</td>
<td>63.4</td>
<td>65.5</td>
<td>67.7</td>
<td>+2.2</td>
</tr>
</tbody>
</table>

Source: Istat 2009 (in Camera di commercio, 2009b, p. 61)

Table 2 shows that the number of people working in agriculture has declined, despite the minor increase registered between 2008 and 2009 (+0.2%). Manufacturing and building registered a positive trend between 2006 and 2007 but are now declining, while employment in the services sector showed a positive trend from 2007 to 2009.

Table 3 shows the distribution of the workforce by sector of activity and occupational position in 2009 as compared with 2008. The number of salaried employees in agriculture fell drastically, though this negative trend was somewhat balanced by the considerable increase in the number of entrepreneurs in that sector (+199.7%). In manufacturing industry there was a fall in the number of both salaried employees and entrepreneurs. In the building and construction sector the number of entrepreneurs fell by 26.5%, while in the services sector an increase of 7.5% was registered, in contrast with a slight reduction in the number of salaried employees (-1.2%).

Table 3: Workforce in the province of Bologna by sector of activity and occupational status, 2008–2009

<table>
<thead>
<tr>
<th>Sector</th>
<th>Salaried employees</th>
<th>% variation 2008/09</th>
<th>Entrepreneurs</th>
<th>% variation 2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>1,200</td>
<td>-75.4</td>
<td>5,800</td>
<td>+199.7</td>
</tr>
<tr>
<td>Manufacturing industry</td>
<td>96,200</td>
<td>-6.5</td>
<td>8,400</td>
<td>-24.7</td>
</tr>
<tr>
<td>Building</td>
<td>19,400</td>
<td>+8.2</td>
<td>11,700</td>
<td>-26.5</td>
</tr>
<tr>
<td>Services</td>
<td>221,100</td>
<td>-1.2</td>
<td>78,500</td>
<td>+7.5</td>
</tr>
</tbody>
</table>

Source: Istat 2009, as elaborated by the Chamber of Commerce of Bologna (http://www.bo.camcom.it)

There were 15,600 people of employment age looking for a job in 2009, or 3.4% of the workforce. The number of people looking for a job reached a minimum in 2008, when there were just 10,200. In 2009, a 53.1% rise in the number of jobseekers was registered. Table 4 shows the distribution of the workforce by gender in 2008 and 2009 and the percentage variation from 2008 to 2009.
Table 4: Workforce in the province of Bologna by occupational status and gender, 2008–2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Employed</td>
<td>244,800</td>
<td>238,800</td>
<td>206,700</td>
<td>203,500</td>
<td>-2.4</td>
<td>-1.5</td>
</tr>
<tr>
<td>In search of occupation</td>
<td>5,000</td>
<td>7,000</td>
<td>5,100</td>
<td>8,600</td>
<td>+39.3</td>
<td>+66.6</td>
</tr>
<tr>
<td>Total</td>
<td>249,900</td>
<td>245,800</td>
<td>211,800</td>
<td>212,100</td>
<td>-1.6</td>
<td>+0.1</td>
</tr>
</tbody>
</table>

Source: Istat 2009, as elaborated by the Chamber of Commerce of Bologna (http://www.bo.camcom.it)

Table 5 shows unemployment rates in the province of Bologna, in the Emilia Romagna region and in Italy by gender since 2004. It must be pointed out that unemployment rates have always been very low in the province of Bologna, especially if compared with national rates. However, a considerable increase was registered in 2009, with a peak of 3.4% against 2.2% in 2008 (+1.2 percentage points). In the province of Bologna, as in the Emilia Romagna region and the rest of Italy, women usually have higher rates of unemployment, even though female unemployment rates in Bologna have always been around half of national ones.

Table 5: Unemployment rates in the province of Bologna, Emilia Romagna and Italy by gender, 2004–2009

<table>
<thead>
<tr>
<th>Province of Bologna</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>% variation</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>% variation</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>Total (%)</th>
<th>% variation</th>
<th>Men (%)</th>
<th>Women (%)</th>
<th>Total (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.1</td>
<td>2.6</td>
<td>-</td>
<td>3.6</td>
<td>3.0</td>
<td>-</td>
<td>6.4</td>
<td>5.6</td>
<td>7.7</td>
<td>+1.0</td>
<td>6.5</td>
<td>5.7</td>
<td>7.4</td>
</tr>
<tr>
<td>2005</td>
<td>2.7</td>
<td>1.9</td>
<td>-0.7</td>
<td>3.7</td>
<td>3.0</td>
<td>0.1</td>
<td>6.3</td>
<td>4.9</td>
<td>7.3</td>
<td>0.0</td>
<td>6.4</td>
<td>5.6</td>
<td>6.4</td>
</tr>
<tr>
<td>2006</td>
<td>2.9</td>
<td>2.4</td>
<td>0.5</td>
<td>3.5</td>
<td>2.8</td>
<td>-0.2</td>
<td>6.2</td>
<td>5.2</td>
<td>6.2</td>
<td>-0.2</td>
<td>6.4</td>
<td>5.6</td>
<td>6.3</td>
</tr>
<tr>
<td>2007</td>
<td>2.5</td>
<td>2.0</td>
<td>-0.4</td>
<td>3.1</td>
<td>2.8</td>
<td>-0.3</td>
<td>6.1</td>
<td>4.8</td>
<td>5.7</td>
<td>-0.4</td>
<td>6.4</td>
<td>5.7</td>
<td>6.3</td>
</tr>
<tr>
<td>2008</td>
<td>2.2</td>
<td>2.0</td>
<td>0.0</td>
<td>2.4</td>
<td>2.6</td>
<td>0.4</td>
<td>5.5</td>
<td>5.4</td>
<td>6.6</td>
<td>+0.1</td>
<td>6.5</td>
<td>5.7</td>
<td>6.7</td>
</tr>
<tr>
<td>2009</td>
<td>3.4</td>
<td>2.8</td>
<td>0.8</td>
<td>4.0</td>
<td>4.1</td>
<td>+1.6</td>
<td>7.4</td>
<td>6.7</td>
<td>9.2</td>
<td>-0.4</td>
<td>6.8</td>
<td>6.5</td>
<td>7.1</td>
</tr>
</tbody>
</table>

Source: Istat 2004–2009, as elaborated by the Chamber of Commerce of Bologna (http://www.bo.camcom.it)

According to the Labour Force Survey (Camera di commercio, 2008b and 2009b), 92% of employed people in the province of Bologna in 2008 and 90.2% in 2009 were Italian citizens, while the remaining 8% and 9.8% respectively were foreign nationals. As for unemployment, data on the Emilia Romagna region show that the unemployment rate of non-EU nationals is twice that of Italian citizens: 7.2% against 3.0% in 2006 and 6.3% against 2.8% in 2009 (Regione Emilia Romagna, 2006 and 2009). According to the Department for Education, Vocational Training and Labour of the Province of Bologna (Provincia di Bologna, 2008 and 2009), in the first and second quarters of 2009 foreign nationals accounted for 25.4% of the total unemployment rate in the province of Bologna, 2% more than in 2007.

However, foreign immigrants represent a significant component of the labour market in the province of Bologna and in Emilia Romagna more generally. According to data of the National Insurance Institute (INAIL), in 2008, 144,588 immigrant workers were employed in Emilia Romagna, almost 30% of all newly employed people. In the same year, 141,681 immigrant workers left their jobs, giving a positive balance of 2,907.7

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7 For these data, see Marra et al (2009, p. 377).
As for the sectors of employment, the only available data are again at a regional level and concern only non-EU nationals. Table 6 points out the distribution of the Italian and non-EU workforce in the top 10 sectors of economic activity (Regione Emilia Romagna, 2009, p. 12). Non-EU workers appear to be concentrated in three sectors: the manufacture of metal products and construction (14% and 19.7% respectively), where mainly men are employed, and domestic work, which has a disproportionate share of migrant women (29.2%), especially if compared with Italian women (0.8%).

Table 6: Italian and non-EU workforce in the Emilia Romagna region by the top 10 sectors of employment in 2009

<table>
<thead>
<tr>
<th>Sector</th>
<th>Non-EU citizens</th>
<th></th>
<th></th>
<th>Italians</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men (%)</td>
<td>Women (%)</td>
<td>Total (%)</td>
<td>Men (%)</td>
<td>Women (%)</td>
<td>Total (%)</td>
</tr>
<tr>
<td>Manufacture of metal products</td>
<td>14.0</td>
<td>1.3</td>
<td>9.7</td>
<td>4.0</td>
<td>1.5</td>
<td>2.9</td>
</tr>
<tr>
<td>Manufacture of machines</td>
<td>8.2</td>
<td>1.3</td>
<td>5.9</td>
<td>8.3</td>
<td>1.8</td>
<td>5.5</td>
</tr>
<tr>
<td>Construction</td>
<td>19.7</td>
<td>0.8</td>
<td>13.3</td>
<td>11.3</td>
<td>1.4</td>
<td>6.9</td>
</tr>
<tr>
<td>Retail trade</td>
<td>6.0</td>
<td>5.6</td>
<td>5.9</td>
<td>6.0</td>
<td>11.4</td>
<td>8.4</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>4.8</td>
<td>9.3</td>
<td>6.3</td>
<td>3.4</td>
<td>5.8</td>
<td>4.5</td>
</tr>
<tr>
<td>Transport</td>
<td>5.7</td>
<td>0.0</td>
<td>3.8</td>
<td>3.9</td>
<td>1.0</td>
<td>2.6</td>
</tr>
<tr>
<td>Services to enterprises</td>
<td>5.4</td>
<td>10.2</td>
<td>7.0</td>
<td>7.0</td>
<td>10.7</td>
<td>8.6</td>
</tr>
<tr>
<td>Health care and social assistance</td>
<td>0.0</td>
<td>12.3</td>
<td>4.2</td>
<td>3.7</td>
<td>12.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Services to families</td>
<td>0.7</td>
<td>5.5</td>
<td>2.3</td>
<td>0.5</td>
<td>3.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Domestic work</td>
<td>1.6</td>
<td>29.2</td>
<td>10.9</td>
<td>0.1</td>
<td>0.8</td>
<td>0.4</td>
</tr>
</tbody>
</table>


Hence, in terms of economic sectors, immigrants appear to be concentrated in those activities requiring essentially manual and non-qualified workers. This is also confirmed by Table 7, which illustrates the distribution of (all) foreign workers by professional position in the province of Bologna in 2009. Foreign citizens are over-represented among the non-qualified workers and the less qualified positions in the services sector, followed by more specialised manual professions (handicrafts, specialised factory workers and farmers: 16.8%). Compared with Italian citizens, foreign workers are poorly represented among the highly qualified professions.

Table 7: Italian and foreign workforce in the province of Bologna, by occupational position in 2009 (%)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Italian</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top-level management</td>
<td>0.7</td>
<td>0.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Intellectual professions</td>
<td>12.2</td>
<td>2.7</td>
<td>9.9</td>
</tr>
<tr>
<td>Technical professions</td>
<td>27.0</td>
<td>3.0</td>
<td>21.2</td>
</tr>
<tr>
<td>Executive employees</td>
<td>9.8</td>
<td>4.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Services sector</td>
<td>22.3</td>
<td>26.0</td>
<td>23.2</td>
</tr>
<tr>
<td>Handicraft, specialised factory workers, farmers</td>
<td>8.4</td>
<td>16.8</td>
<td>10.4</td>
</tr>
<tr>
<td>Low qualified workers</td>
<td>4.5</td>
<td>6.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Non-qualified workers</td>
<td>14.7</td>
<td>40.1</td>
<td>20.8</td>
</tr>
<tr>
<td>Not specified</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: Sistema Informativo Lavoro regionale (SILER), Emilia Romagna (http://www.provincia.bologna.it/lavoro)
It is difficult to assess whether the entry of foreign immigrants into less qualified jobs depends on their level of education. Again, data at a provincial level are not available. Table 8 provides a picture of the level of education of non-EU nationals in Emilia Romagna in 2008 as compared with Italian citizens. Non-EU citizens, especially men, often state that they have a lower level of education (in other words, less than eight years of schooling) than Italian workers, who hold at least a medium level of education (between nine and 13 years of schooling or college). Non-EU women appear to be more highly educated, with 16% declaring a high level of education (14 years or more). Nevertheless, it should be taken into account that since the recognition of foreign professional and educational qualifications in Italy is an extremely complicated process (which will be discussed further below), immigrants often declare a lower level of education than that attained in their country of origin.

Table 8: Level of education of Italian and non-EU nationals in Emilia Romagna in 2009 (%)

<table>
<thead>
<tr>
<th></th>
<th>Non-EU citizens</th>
<th>Italians</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Men</td>
<td>Women</td>
</tr>
<tr>
<td>Low level</td>
<td>62.7</td>
<td>43.4</td>
</tr>
<tr>
<td>Medium level</td>
<td>28.8</td>
<td>40.6</td>
</tr>
<tr>
<td>High level</td>
<td>8.5</td>
<td>16.0</td>
</tr>
</tbody>
</table>


In the highly dynamic context of Emilia Romagna as well as the Bolognese economic system, immigrants started to arrive from the mid-1980s, after the first amnesty (in 1986) allowed a considerable number of North Africans and sub-Saharan Africans previously working illegally in tomato harvesting in the south of Italy to look for better jobs and employment conditions in the north of the country. Moroccans, Tunisians and Senegalese were among the main nationalities in the city at that time, usually employed as factory workers by the small and medium-sized industries of the metropolitan and provincial area. The ageing of the local Italian population combined with the lack of interest of the younger generation in the more heavy, dirty and poorly paid industrial jobs opened up many opportunities for the immigrant men who settled in the region in this period (Marra, 2008, p. 5). In the mid-1990s, new arrivals from the former Yugoslavia, Albania and later Romania were increasingly absorbed in the building and construction sector, while at the same time increasing numbers of female workers from the Philippines, Peru and Romania entered the domestic and personal care sector.

In the past decade, the flow of female workers from eastern Europe has increased and expanded to new nationalities such as Ukrainian and Moldovan women, who are often employed illegally as domestic workers. Another new phenomenon are flows from Pakistan, Bangladesh and Sri Lanka, composed essentially of men, who were initially employed in the manufacturing industries of the provincial area and are now moving more and more into the trade sector, as discussed below. Last but not least, in the city of Bologna there is an established presence of Chinese immigrants who are active in the small textile factories outside Bologna as well as in various commercial activities (Banca d’Italia, 2008).

Development of small and medium-sized businesses (SMEs)

As pointed out in the section above on the historical development of Bologna’s economy, small and medium-sized businesses are at the very core of the economic structure of the province of Bologna, which is part of the so-called industrial districts area (Bagnasco, 1977) embracing the centre-north and north-eastern regions of the country. From the
beginning of the 1970s this area experienced significant economic growth pivoted on SMEs. The label ‘Third Italy’ was coined to define this specific model of development, which appeared to be distinct from both the Fordist industry of north-western cities (such as Milan and Turin) and the economic backwardness of southern Italy.

One of the crucial economic sectors in the province of Bologna, as mentioned above, is that of automatic packaging machines. In the 1990s a process of growing concentration of companies started to take place, with the acquisition of some of the most important industries by international corporations that decided to continue production in this area. Despite this process, there are still a number of small and medium-sized industries working for the bigger ones. Another important sector is the motorcycle industry. According to the Industrial Heritage Museum of Bologna, today in Bologna there are at least 70 small and medium-sized enterprises specialising in the production of motorbikes, plus another 100 producing components for motorbikes.

Table 9 provides data on the enterprises registered at the Chamber of Commerce of the province of Bologna from 2000 to 2009 by legal status. Although there is not necessarily a relationship between the size of the enterprise and its legal status, individual firms and – to a lesser extent – commercial partnerships are very likely to be small and medium-sized businesses.\(^9\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Individual firms (%)</th>
<th>Commercial partnerships (%)</th>
<th>Limited liability co. (%)</th>
<th>Other legal status (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>94,324</td>
<td>56.2</td>
<td>23.7</td>
<td>17.9</td>
<td>2.2</td>
</tr>
<tr>
<td>2000</td>
<td>95,365</td>
<td>55.3</td>
<td>23.6</td>
<td>18.8</td>
<td>2.3</td>
</tr>
<tr>
<td>2001</td>
<td>96,422</td>
<td>54.1</td>
<td>23.6</td>
<td>19.9</td>
<td>2.4</td>
</tr>
<tr>
<td>2002</td>
<td>95,308</td>
<td>54.0</td>
<td>23.5</td>
<td>20.1</td>
<td>2.4</td>
</tr>
<tr>
<td>2003</td>
<td>95,866</td>
<td>53.5</td>
<td>23.3</td>
<td>20.8</td>
<td>2.4</td>
</tr>
<tr>
<td>2004</td>
<td>96,742</td>
<td>53.1</td>
<td>23.2</td>
<td>21.4</td>
<td>2.3</td>
</tr>
<tr>
<td>2005</td>
<td>97,952</td>
<td>52.7</td>
<td>22.8</td>
<td>22.2</td>
<td>2.3</td>
</tr>
<tr>
<td>2006</td>
<td>98,285</td>
<td>51.9</td>
<td>22.8</td>
<td>23.0</td>
<td>2.3</td>
</tr>
<tr>
<td>2007</td>
<td>97,978</td>
<td>51.6</td>
<td>22.3</td>
<td>23.7</td>
<td>2.4</td>
</tr>
<tr>
<td>2008</td>
<td>98,220</td>
<td>51.2</td>
<td>22.0</td>
<td>24.3</td>
<td>2.5</td>
</tr>
<tr>
<td>2009</td>
<td>97,360</td>
<td>51.1</td>
<td>21.8</td>
<td>24.6</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Source: Camera di commercio, 2003, p. 8; 2009b, p. 23

As Table 9 indicates, the share of individual firms, while decreasing, still accounts for over 50% of the firms registered with the Chamber of Commerce. If commercial partnerships are also considered, then SMEs constitute around two-thirds of all the enterprises operating in the province of Bologna. At the beginning of the decade these two categories accounted for 80% of all firms located in the area.

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\(^9\) Although among the SMEs in the Bologna area the legal status of limited liability companies is also very common (Camera di commercio, 2009b, p. 36).
The 2001 census (Camera di commercio, 2003, p. 15) confirms the centrality of small and medium-sized firms in the Bolognese economic system. Of the surveyed firms, 84% declared that they had one to five employees, 5% declared five to nine employees, 4.1% 10 to 19, and 2.3% 20 to 49 employees. Only 2.2% declared a number of employees between 50 and 250. More up-to-date data refer to 2007 (Camera di commercio, 2009b, p. 38), and reveal that 93.7% of the firms operating in the area had one to nine employees and 3.7% had 10 to 19. Only 1.7% of firms had 20 to 49 employees and just 0.9% had more than 50.

In terms of proportions of workers, in 2007 firms with one to nine employees accounted for 44% of the total workforce of companies operating in the Bologna area, followed by firms with over 50 employees, accounting for another 31.6%. The other two categories, i.e. 10 to 19 and 10 to 49 employees, accounted for 12% and 12.4% respectively.

**Sectoral and spatial distribution of SMEs**

According to the 2001 census data (Camera di commercio, 2003, p. 15), firms with fewer than five employees were particularly concentrated in sectors such as retail trade, wholesale trade, building and construction, health care and social services, real estate services, transport, hotels and restaurants, and other professional services. A similar picture is reported for 2007 (Camera di commercio, 2009b, p. 38).

In terms of spatial distribution, small and medium-sized enterprises, and especially those operating in the trade and services sectors, are particularly concentrated in the metropolitan area of Bologna and in Imola, which is the second city of the province. By contrast, factories are more spread across the Padana Valley, with a particular concentration along the so-called Via Emilia, which is the arterial road crossing the north of the Emilia Romagna region, from Piacenza to Bologna.

**Recent changes**

As pointed out in the previous sections, small and medium-sized firms are still pivotal in the economic fabric of the province of Bologna. Despite a trend towards larger companies, as indicated by the increasing share of limited liability companies, small individual firms account for the majority of entrepreneurial activities in the provincial area.

Table 10 shows data on the registrations and cessations of firms in the register of the Chamber of Commerce, and the annual development rate, calculated as the ratio between the balance of the current year and the total number of enterprises registered in the previous year. The negative rate scored in 2009, like the one registered in 2002, is clearly the product of a rise in business closures, while the number of new registrations appears to be quite stable. This highlights the increasing difficulties that many entrepreneurs are facing because of the enduring economic crisis.
Table 10: Businesses registered at the Chamber of Commerce of the province of Bologna 1999–2009: new registrations, cessations and annual development rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Registered in the year</th>
<th>Cessations</th>
<th>Balance</th>
<th>Development rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>94,324</td>
<td>6,610</td>
<td>5,477</td>
<td>1,033</td>
<td>-</td>
</tr>
<tr>
<td>2000</td>
<td>95,365</td>
<td>7,161</td>
<td>6,307</td>
<td>854</td>
<td>0.9</td>
</tr>
<tr>
<td>2001</td>
<td>96,422</td>
<td>6,907</td>
<td>5,902</td>
<td>1,005</td>
<td>1.1</td>
</tr>
<tr>
<td>2002</td>
<td>95,308</td>
<td>6,893</td>
<td>8,238</td>
<td>-1,145</td>
<td>-1.2</td>
</tr>
<tr>
<td>2003</td>
<td>95,866</td>
<td>6,559</td>
<td>6,060</td>
<td>499</td>
<td>0.5</td>
</tr>
<tr>
<td>2004</td>
<td>96,742</td>
<td>7,018</td>
<td>6,190</td>
<td>828</td>
<td>0.9</td>
</tr>
<tr>
<td>2005</td>
<td>97,952</td>
<td>7,097</td>
<td>5,917</td>
<td>1,180</td>
<td>1.2</td>
</tr>
<tr>
<td>2006</td>
<td>98,285</td>
<td>6,829</td>
<td>6,529</td>
<td>300</td>
<td>0.3</td>
</tr>
<tr>
<td>2007</td>
<td>97,978</td>
<td>7,134</td>
<td>7,479</td>
<td>-345</td>
<td>-0.3</td>
</tr>
<tr>
<td>2008</td>
<td>98,220</td>
<td>6,631</td>
<td>6,425</td>
<td>206</td>
<td>0.2</td>
</tr>
<tr>
<td>2009</td>
<td>97,360</td>
<td>6,285</td>
<td>7,181</td>
<td>-896</td>
<td>-0.9</td>
</tr>
</tbody>
</table>

Source: Camera di commercio, 2002 and 2009b.

A relevant share of the 2009 negative balance registered is due to the decline of firms in the trade sector (-611), which comprises the greater share of small and medium-sized firms operating in the area of Bologna.

In 2009, the manufacturing sector ranked second in terms of negative balance (-438). However, compared with the trade sector, this decline in the number of enterprises was the product of more long-term processes of restructuring by industries, characterised by the transfer of some production to emerging economies such as China and India. This is especially the case for the motorcycle industry, while by contrast the automatic packaging machines district appears to be firmly entrenched in the territory.
Definition of ethnic entrepreneurship

In Italy, data on ethnic entrepreneurship from the Archive of the Union of the Chambers of Commerce (Infocamere) usually refer to firms that are registered by persons born abroad (Erminio, 2009, p. 285). Since there is no reference to citizenship, data include Italians born abroad (for instance, in the ex-colonies of Somalia or Libya) or descendants of Italian emigrants (born in Argentina or Brazil) who have reacquired Italian citizenship, as well as naturalised immigrants born abroad both of the first and second generation. However, Infocamere excludes foreign citizens who were born in Italy. As a consequence, the term ‘immigrant entrepreneurship’ would be more appropriate, since the kinds of firms actually considered by official data are those established by people who were born abroad and moved to Italy, even if they were Italian citizens. Since 2003, the National Confederation of Craftsmanship (CNA), together with Caritas/Migrantes, has been refining the Infocamere data: only those immigrant entrepreneurs who were born abroad and have kept their foreign citizenship are now considered in the official statistics, thus eliminating Italian citizens born abroad and naturalised foreigners (Erminio, 2009, p. 285). Yet because of the elimination of this latter category, the phenomenon of immigrant entrepreneurship is clearly underestimated by official statistics.

Official data of the Chamber of Commerce of the province of Bologna actually count as immigrant entrepreneurs all those entrepreneurs who were born abroad. As a consequence, the phenomenon is rather overestimated, since Italian citizens born abroad are also considered.

Development of ethnic entrepreneurship

Immigrant entrepreneurship is a recent phenomenon in Italy, which has assumed more and more relevance in the past few decades thanks to Law no. 40/1998. As explained below, this law cancelled the so-called ‘reciprocity clause’ which allowed foreigners to undertake an independent activity only if such an opportunity was explicitly accorded by their country of origin to Italian citizens. As a consequence, the possibility for immigrants to establish autonomous firms was limited to the nationals of those countries that undersigned commercial agreements with Italy (Ambrosini, 2001). China is a case in point: Chinese restaurants as well as textile firms represent one of the most established forms of ethnic entrepreneurship in Italy.

The development of immigrant entrepreneurship in the province of Bologna, as well as in the Emilia Romagna region as a whole, has followed this general path. As of May 2009 (Erminio, 2009), Emilia Romagna was the second region in terms of the presence of immigrant entrepreneurs (11.9%, after Lombardy with 23.4%) and the fifth in terms of ratio of immigrant entrepreneurs to the immigrant population of employment age (8.1%), after Sardinia (12%), Tuscany (10.4%), Piedmont (9.1%) and Calabria (8.9%). The province of Bologna is seventh in Italy in terms of numbers of immigrant businesses (2.4%).

Immigrant entrepreneurs from non-EU countries in the province of Bologna almost doubled in number from 3,900 in 2000 to 6,489 in 2004 (Camera di commercio, 2004, p. 7). This positive trend continued in the following years: in 2005 there were 7,424 immigrants entrepreneurs, up 14.4% on the previous year, and in 2006 they amounted to 8,177, a further rise of 10.1% (Camera di commercio, 2005 and 2006). In 2007, a slight reduction in the number of non-EU immigrant entrepreneurs (to 7,953) was registered, because of the entry into the EU of Romania and Bulgaria and the exclusion of these nationalities from the category of non-EU immigrant entrepreneurs (Camera di commercio, 2007). However, the number continued to rise in 2008, with 8,547 immigrant entrepreneurs from non-EU countries, up 7.5%, and in 2009, with a total 9,113 and an increase of 6.6% (Camera di commercio, 2009b, pp. 23–24). If the 3,095 immigrant entrepreneurs from other EU countries are added to this figure, there are a total of 12,208 entrepreneurs of foreign origin in the province of Bologna.
In terms of areas of origin, as of 2009 EU citizens accounted for 25.3% of all immigrant entrepreneurs in the province, followed by those from North Africa (24.2%), Asia (20.3%), excluding Chinese, who alone account for 16.9% of the total, and other European countries (13.2%). A more detailed breakdown by country of origin is provided by the Chamber of Commerce of Bologna (2009) but only with reference to individual immigrant enterprises. In this segment, Morocco is first, with 805 entrepreneurs (18% of the total), followed by China with 652 entrepreneurs (15%), Albania, with 494 entrepreneurs (over 11%), and Tunisia with 412 entrepreneurs (9%). However, as pointed out in Figure 2, the composition by country of origin of individual immigrant enterprises is very fragmented, since there are at least 33 countries that account for less than 1% of immigrant entrepreneurs in the province of Bologna, and have been incorporated in the category ‘other countries’.

Figure 1: Countries of origin of non-EU immigrant entrepreneurs in the province of Bologna, 2009

Among these ‘other countries’, there are some that were quite relevant in previous decades, such as Libya or Argentina, which probably refer to Italian citizens born in these countries (see previous section on the definition of ethnic entrepreneurship). Table 11 shows the changing composition in terms of countries of origin of immigrant entrepreneurs in the province of Bologna in 2009 as compared with 2000.
In terms of age, immigrant entrepreneurs are usually younger than Italian ones, with two-thirds between 30 and 49 years old. Again, more detailed data are provided by the Chamber of Commerce of Bologna (Camera di commercio, 2009a, p. 7) as regards the foreign owners of individual firms: in 2009, 13% were between 18 and 29 years old, 69% between 30 and 49 years old and the remaining 18% between 50 and 69. In terms of gender, in 2009 the great majority of foreign individual entrepreneurs were men, who numbered 3,652 or 82% of the total, while women made up 781 (18%). This female component of ethnic entrepreneurship in Bologna is mainly active in the manufacturing and trade sectors (Camera di commercio, 2009a, p. 7).

**Sectoral and spatial distribution of ethnic enterprises**

If in the 1970s and the 1980s the first immigrant businesses were concentrated in Bologna city centre (Provincia di Bologna 2009, p. 10), in the past decade the number of ethnic enterprises has also increased in the outer districts of the city as well as in other smaller municipalities of the province. This changing spatial distribution reflects developments in the sectors of activity of immigrant entrepreneurs. Table 12 provides an outlook on the development of individual immigrant enterprises. Whereas the first immigrant businesses were essentially retail trade firms, in more recent decades an increasing number of immigrant firms have been registered in the manufacturing and building sectors. These latter firms, unlike the trading firms, are more likely to be located in the small municipalities of the province or on the outskirts of the city of Bologna.
Figure 2 shows the distribution of non-EU entrepreneurs (all categories, not just individual entrepreneurs) by sector of activity for 2009. Three categories account for over 50% of immigrant enterprises: retail trade (21.8%, +0.5% compared with 2008), buildings and construction (18.5%, +0.3%) and restaurants and catering (13.7%, + 4.9%). However, fragmentation is very high, as almost 30% of all immigrant firms are included in the macro-category ‘other activities’.

Figure 2: Non-EU entrepreneurs by sector of activity in the province of Bologna, 2009

Source: Camera di commercio, 2009a

Data on the spatial distribution of immigrant enterprises in the province of Bologna refer to individual firms only. In general, a concentration in the city of Bologna can be pointed out: in 2008, 1,828 immigrant firms were located in Bologna (Camera di commercio, 2008a), and in 2009 there were 2,026. After the city of Imola, with 245 immigrant firms in 2008 and 266 in 2009, other smaller villages near Bologna follow.

As for the city of Bologna, the municipality has provided updated data (March 2010) on the sectoral and spatial distribution of immigrant trade enterprises in the city.\(^\text{10}\) Table 13 shows the breakdown by type of activity and city macro-districts.

---

\(^\text{10}\) Thanks to Gabriele Lanzi, Productive and Trade Activities Sector of the Municipality of Bologna, for providing these data.
Table 13: **Immigrant trade enterprises in the city of Bologna at March 2010 by district**

<table>
<thead>
<tr>
<th>District</th>
<th>Restaurants, bars, pizzerias</th>
<th>Phone centres</th>
<th>Takeaway catering</th>
<th>Trade</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borgo Panigale</td>
<td>1</td>
<td>1</td>
<td>12</td>
<td>16</td>
<td>30</td>
<td>3.7</td>
</tr>
<tr>
<td>Navile</td>
<td>20</td>
<td>14</td>
<td>36</td>
<td>81</td>
<td>151</td>
<td>19.2</td>
</tr>
<tr>
<td>San Donato</td>
<td>11</td>
<td>1</td>
<td>17</td>
<td>22</td>
<td>61</td>
<td>7.5</td>
</tr>
<tr>
<td>Reno</td>
<td>5</td>
<td>1</td>
<td>9</td>
<td>12</td>
<td>27</td>
<td>3.3</td>
</tr>
<tr>
<td>Savena</td>
<td>5</td>
<td>3</td>
<td>18</td>
<td>25</td>
<td>51</td>
<td>6.3</td>
</tr>
<tr>
<td>Porto</td>
<td>23</td>
<td>15</td>
<td>31</td>
<td>81</td>
<td>150</td>
<td>19.0</td>
</tr>
<tr>
<td>San Vitale</td>
<td>18</td>
<td>24</td>
<td>39</td>
<td>81</td>
<td>162</td>
<td>20.6</td>
</tr>
<tr>
<td>Santo Stefano</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>20</td>
<td>48</td>
<td>9.9</td>
</tr>
<tr>
<td>Saragozza</td>
<td>10</td>
<td>10</td>
<td>25</td>
<td>38</td>
<td>83</td>
<td>10.5</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>73</td>
<td>207</td>
<td>404</td>
<td>783</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: *Municipality of Bologna. Department of Productive and Trade Activities*

As Table 13 shows, there are some areas where trade businesses opened by immigrants concentrate: San Vitale, Porto and Navile. The first two districts overlap with part of the city centre (the north-west), whereas the macro-district of Navile is included the Bolognina area, which is characterised by the highest density of immigrant residents in the city (see Chapter 2).

Unfortunately, there are no official data either at provincial or at municipal level on closures and bankruptcies. According to the Chamber of Commerce of Bologna (Camera di commercio, 2009b), immigrant businesses account for one-third of the annual demographic change in enterprises in the province of Bologna, since every year there are a substantial number of closures and new registrations.

**Ownership of ethnic businesses**

Data from the Chamber of Commerce of the province of Bologna (Camera di commercio, 2009a and 2009b) show that 46.8% of registered immigrant entrepreneurs are also the owners of their business. In 36.7% of cases, immigrants are the responsible managers (*amministratore delegato*) of the firm, while in the remaining 14.7% of cases immigrant entrepreneurs are partners in cooperatives or joint ventures. It is clear that individual firms represent the majority of immigrant businesses operating in the area of Bologna: in 2009, they represented 8.9% of all individual firms registered at the Chamber of Commerce of the province of Bologna.\(^{11}\)

As pointed out in Figure 3, 89% of immigrant individual entrepreneurs in the province of Bologna established their activity between 2000 and 2009. These data present a limit insofar as they refer only to those entrepreneurs who were still registered at the Chamber of Commerce in 2009. However, the rise of immigrant businesses in the past decade as compared with the previous decades is confirmed by other sources (Marra, 2008; Nomisma et al, 2009; Provincia di Bologna, 2009) and also by the partners interviewed on the field visit. This rapid increase, of 17% annually since 2000 (Camera di commercio, 2009a, p. 10), has compensated for the parallel fall in new registrations on the part of Italian entrepreneurs (-11.81% annually since 2000).

\(^{11}\) Individual firms also represent the prevailing legal form of business among Italian entrepreneurs: as of 2009, these made up 51.9% of all enterprises operating in the province of Bologna, followed by anonymous joint ventures (24.6%), commercial partnerships (21.8%) and other forms of companies (2.5%).
Reasons for choosing entrepreneurship

According to the partners interviewed, immigrants in Bologna become entrepreneurs mainly in order to improve their social position and chances of mobility in Italian society. Immigrants who decide to set up their own business, especially in the building and manufacturing sectors, usually already have fairly substantial experience as employees, through which they have acquired professional skills and a basic knowledge of the Italian market. Becoming an entrepreneur represents the only way to improve their position in the labour market, given the extreme difficulty in obtaining recognition for the qualifications and degrees acquired in their country of origin. According to a qualitative study carried out by Marra (2008, pp. 21–2) on immigrant entrepreneurs in the provinces of Bologna, Reggio Emilia and Modena, the migrants’ desire to improve their skills is the main impetus for their entrepreneurial careers.

However, it is also important to point out that, in the building and construction sector, setting up an individual firm is often the only way to be employed as a subcontractor by bigger Italian or migrant firms that want to avoid the payment of social security costs, which are of course compulsory for salaried employees. According to our interviewed partners, this is a common practice in the province of Bologna, as in the rest of Italy, and the sharp decline in the number of migrant firms in the building sector in the past two years is an indicator of their weakness.

Community ties and family traditions are also another important reason for undertaking an entrepreneurial career (Marra, 2008, p. 21). In the textile sector, Chinese migrants usually start their own businesses after initial experience as salaried employees for a co-national employer, and with the help of this employer. The new business usually starts its activity as a subcontractor of a prominent firm, such as the firm of the previous employer. On the other hand, Chinese families, as well as Pakistani and Bengali ones, appear to be particularly keen to help family members who want to become entrepreneurs. In the case of the Chinese, who began to arrive in the area in the 1950s, some of the first textile firms have already been taken over by the second generation. According to the office for foreign entrepreneurs run by the CNA, which is in touch with a considerable number of Chinese firms in the Bologna area, this young generation has had a poor level of education because their parents pressured them to help in the family firm by the age of 13 or 14. For them, finding another job would be very difficult, and taking over one’s father’s company is seen as something of an obligation.
Market and competition

In order to identify the main markets for immigrant business in Bologna, a distinction first has to be drawn between the small and medium-sized immigrant firms operating in the provincial area and the commercial activities located primarily in the city (see section above on ownership of ethnic businesses).

The first type of activities usually have a mixed market and have to face a low to medium level of competition. A case in point is that of Chinese textile factories located on the outskirts of Bologna or in the villages of the province, which usually work as subcontractors of Italian firms or of other – and more established – Chinese firms. Levels of competition are low, since new entrepreneurs are usually supported directly by existing ones that operate as a spin-off for new autonomous companies working for them as subcontractors. However, according to the interviewed partners, and, in particular the CNA, the economic crisis in the past few years has led to a higher level of competition, which has forced the smaller and less structured Chinese firms to close down. Businesses operating in the building and construction sector are also often subcontractors to Italian or co-national (mainly Moroccan, Albanian and Romanian) firms. As a consequence, the market in this case is also of a mixed kind, even though Italian customers (both firms and private citizens) often prevail. There has always been a high level of competition in this sector.

As for trade activities in the city of Bologna, two contrasting situations can be discerned. The first one is the case of the small grocery shops in the city centre, owned mainly by Pakistani and Bengali immigrants, but catering primarily for an Italian clientele. These shops sell ordinary Italian food, ranging from wine to pasta, fruit and biscuits, have long opening hours (until 10 or 11 p.m.) and only very rarely sell ethnic food as well (most often just spices). In addition, the ethnic restaurants and takeaways in the city centre (especially Indian, Pakistani, Chinese and Moroccan), although selling ethnic food, usually attract Italian customers.

An opposite case is that of the phone shops located in the streets near Bologna Railway Station, whose primary clientele is represented by the co-nationals of the shop owner (again, Pakistanis, Bengalis and Chinese, but also Africans, etc.). The Chinese clothing and shoe shops also cater mainly for a non-Italian clientele, though not just Chinese people.

In general, levels of competition in the retail sector range from medium to high. Grocery shops and bars in particular experience strong competition from more established Italian firms, and the longer opening hours represent a strategy to bring in new customers. Also, Bengali and North African pedlars working in the street markets often report that they have to face a high level of competition especially from native Italian sellers (Nomisma et al, 2009, pp. 134–136).

It is also worth noting that there are a few immigrant cooperatives in Bologna specialising in public and personal care services (specifically, children, education, health care, social assistance). A case in point are link-workers’ cooperatives, usually established by highly skilled immigrants who have attended a cultural mediation course. These cooperatives are usually hired by municipalities and other public agencies to provide specific services to immigrant users. Cooperatives operating in the personal care sector, on the other hand, usually cater for an Italian public, for example elderly people and families with young children looking for a caregiver or a babysitter. These cooperatives are usually composed of highly skilled migrant women (especially from eastern Europe) and work both in private houses and in public facilities such as retirement homes.

Workforce, employment conditions and labour relations

No official data are available on this point. However, according to the interviewed partners, immigrant enterprises, especially those in the trade sector, frequently employ co-nationals and particularly family members on an informal basis. Irregular work seems to be particularly relevant among the Chinese community, especially in the textile factories.
In general, these are said to pay their employees less than Italian firms in the same sector. Long working hours and no extra pay for weekend work are indeed a competitive asset of these firms as compared with most of their Italian competitors.

In the building sector, as pointed out above, many individual entrepreneurs are actually salaried employees forced to become autonomous workers by employers seeking to avoid paying social contributions.

**Problems and barriers**

**General management**
The lack of management skills was reported by the partners interviewed on the field visit, as a reason for the fragility of many migrant businesses. Immigrant entrepreneurs are usually very concerned with the bureaucratic procedures linked to the starting of a business, but overlook the difficulties that may arise once the firm is established. Inadequate knowledge of workplace safety or tax regulations, for instance, sometimes results in sanctions and unexpected costs that may put the daily management of the firm at risk. As explained in Chapter 5, some associations in the city of Bologna provide special assistance to migrant firms not only in the start-up phase, but also for day-to-day management.

**Financial management**
On the field visit, financial management was reported as the main problem immigrants encounter when they attempt to set up a business, especially in their relations with banking services. Immigrants lack the kind of long credit history that Italian banks often require in order to assess the application. Moreover, it is more difficult for immigrants to provide the financial guarantees that are needed to access credit loans. According to research carried out in three provinces of the Emilia Romagna region (Bologna, Reggio Emilia and Modena), immigrant entrepreneurs reported being discriminated against by banks (Marra, 2008, p. 30).

According to our interviewed partners, Chinese, Pakistani and Bengali nationals usually rely on community networks to get the financial resources necessary to start their business. However, the other nationalities also rarely resort to banks. Often, immigrants invest in their own business the savings they, or their relatives, have accumulated as salaried employees. The family is also important in supporting the new entrepreneur financially. In the case of the Chinese textile factories or the construction sector, spin-off relations between the new immigrant entrepreneur and their previous co-national employer are very common.

**Marketing**
In general, migrant entrepreneurs do not carry out any marketing study or research before establishing their business. A scanty knowledge of the market was mentioned by the interviewed partners as a problem for the success of immigrant businesses. In the case of Chinese entrepreneurs, for instance, it was pointed out that in the past two years, because the international economic crisis has been very hard on the textile sector, many have invested their savings in opening bars, believing this to be a more secure sector. However, they did not take into account the general reduction in consumption caused by the crisis, and had to face similarly harsh conditions as they did in the textile business.

**Rules and regulations**
Problems or barriers that immigrant entrepreneurs may encounter with regard to regulations and bureaucratic requirements are not very different from the problems that a native Italian entrepreneur may encounter. However, language barriers often make it hard for migrants to deal with bureaucracy. There are also differences in terms of ‘bureaucratic culture’, in the sense that immigrants are often not familiar with EU standards or environmental regulations, labour rights and health and safety regulations. These are sometimes quite different from those in their countries of origin. If the ethnic entrepreneur comes from a region where state regulation and enforcement of
environmental rules, labour rights, and health and safety standards are weak or non-existent, there may be a temptation to ignore or sidestep the rules that govern these aspects in Italy. Furthermore, depending on the country of origin, immigrant entrepreneurs may exhibit mistrust of state bureaucracy in general. In the field visit, this was reported to be the case among Pakistani and Bengali immigrants, who are often also less willing to resort to Italian professional associations, which they see as protecting Italian entrepreneurs (Nomisma et al, 2009, p. 134).

Of course, as has already been said, a major problem is the language. For many ethnic entrepreneurs, especially those recently arrived in Italy, understanding bureaucratic and legal Italian can be a big problem. Even many native Italian entrepreneurs find this area difficult. However, according to our interviewed partners, Chinese and Asian immigrants, in general are more likely to face this barrier. Asian immigrants such as Bengalis, Pakistanis and Indians are among the most recently arrived groups in Italy and in the province of Bologna. Chinese migrants, conversely, are long established in Bologna, but their younger generations are reported to have a poor knowledge of Italian as they often leave school at the age of 13 or 14 in order to work in their parents’ business.

Bureaucracy and intermediary institutions
Bureaucracy was one of the main difficulties pointed out in the field visit. For instance, a major difficulty for ethnic restaurants is hiring staff from the migrants’ country of origin, given the rigidity of Italian admission policies. Moreover, despite recent legislative reforms aimed at simplifying the procedures for starting up a business (see Chapter 5), immigrant entrepreneurs still complain of the excessive bureaucratic burden imposed by Italian laws (Marra, 2008, pp. 28–9). Intermediary institutions and professionals are crucial to help businesspeople meet all bureaucratic requirements, deadlines and payments. However, as reported by some of the interviewed partners, relations with these intermediary institutions are not always easy. Cases of fraud on the part of private professionals have also been reported (Marra, 2008, p. 28). Some immigrant entrepreneurs report that they have paid exorbitant sums in order to obtain bureaucratic assistance from professionals taking advantage of their scant knowledge of Italian bureaucracy.
Overall strategy

The municipality of Bologna has always been regarded as one of the most active in Italy when it comes to the integration of immigrants (Caponio, 2006 and 2010). The initial interventions undertaken in the late 1980s were essentially aimed at providing shelter and primary assistance to foreign workers attracted to the city by the employment opportunities after the 1986 and 1990 laws (Law no. 943/1986 and Law no. 39/1990). Since then, local policies have been developing along different lines of intervention, among which vocational training and insertion in the labour market have always featured highly. Nevertheless, local integration policies have never targeted migrant entrepreneurs, who are supposed to benefit from the many public and private services supporting the development of small and medium-sized firms in general.

As pointed out in Chapter 3, SMEs have been crucial in the city’s economic development since the late 19th century. These industries, often organised in specialised districts, are still vital to the productive and social fabric of this part of the country. As a consequence, starting one’s career as a salaried employee and then setting up one’s own firm is a typical and important feature of the local labour culture. Small and medium-sized firms are deeply embedded in a dense network of social relations that support new entrepreneurs. Employers themselves support the spin-off of their employees’ activities through subcontracting chains. Another crucial element is the family, which often provides financial and labour resources. In this context, a network of specialised services for small and medium-sized enterprises has developed, especially on the part of professional associations and private business consultants. As noted below, the CNA has been particularly active in providing specific assistance to immigrant entrepreneurs.

Local institutions, in turn, have considered small and medium-sized immigrant enterprises as part of their overall strategy of economic development of the territory. For a long time both the province of Bologna and the city municipality have run services aimed at supporting the start-up of businesses, and more recently have also started microcredit programmes (see below). These services address Italian and foreign entrepreneurs alike.

Objectives and dimensions

Since there are no specific policies aimed at promoting immigrant entrepreneurship, no specific goals or dimensions can be identified. The general rationale for the lack of action by local administrations (both in the province and the municipality) in this field is that immigrants can access and benefit from the general public and private services available in an economic context which have always been particularly favourable to the development of small and medium-sized enterprises. As mentioned below, in 1990 the Emilia Romagna region began providing small financial contributions (up to €26,000) to immigrants willing to set up a business and employing at least 50% immigrant workers (Regional Law no. 14/1990). However, this specific intervention was stopped in 2004.

Main actors

The main actors have already been mentioned in the previous section. Since there are no specific policies for immigrant entrepreneurship, the actors mentioned above are those that are crucial for small and medium-sized businesses in general. As a consequence, immigrant entrepreneurs are not targeted specifically by local authorities in policies for local entrepreneurship. Neither are migrant entrepreneurs specifically addressed or involved in migrant integration policies. Local policies are more focused on encouraging people to join the labour market as salaried employees.

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12 This opportunity was also offered to Bolognese emigrants abroad willing to come back to their home region. However, according to Antonio Barresi of the Province of Bologna, no emigrant of Bolognese origin ever applied.
**Ethnic entrepreneurship**

**Targets**
As pointed out above, local policies do not target immigrant entrepreneurs specifically but focus on the development of entrepreneurship more generally. Both province and municipality run offices for would-be entrepreneurs, both focusing on the start-up phase.

**Institutions**
The framework of relevant business institutions, both local and national, is rather complex and reflects the decentralisation of the Italian system of government.

At a national level, the Ministry for Economic Development has the task, among others, of implementing industrial development policies for the SME sector. The department for this is the DGIAI (Directorate-General for the Promotion of Entrepreneurial Activities) and its role is to allow and provide financial concessions to businesses with the aim of pursuing important industrial policy objectives. The directorate also manages the Guarantee Fund for Italian SMEs while the ministry has the task of deciding on and amending the eligibility criteria to access the allocated funds. Other relevant ministry departments include those for Productive Activities, International Trade and Cohesion Policies.

Locally, the Directorate-General for Productive Activities, Trade and Tourism in Emilia Romagna plays a crucial role in regulating Bologna’s SME sector and in channelling financial resources from the European Social Fund. In particular, since the introduction of national legislation aimed at liberalising the trade sector and simplifying administrative procedures in the mid-1990s, Emilia Romagna has been very active in approving the application rules. As mentioned above, on the basis of the 1990 Regional Law on immigration (Law no. 14/1990), the region has also provided small ad hoc contributions aimed at supporting the new initiatives of immigrant entrepreneurs as part of the region’s more general integration policy. The new immigration policy approved in 2004 (Regional Law no. 5/2004) has eliminated this measure, even though, at least in principle, article 16 states that the region and the provinces should support information and promotional services aimed at helping immigrants in setting up an independent business. Permanent resident foreign citizens are also eligible for all the provisions aimed at sustaining trade and handicraft firms, as provided for by the 1990 Regional Law.

The Province of Bologna also plays an important role in the promotion of entrepreneurship. In particular, it is worth mentioning the Entrepreneurship Projects (Progetti d’impresa) Office, a free service providing information and advice to all those wanting to start up in business. In 2009, the office promoted the publication of a multilingual guide for would-be immigrant entrepreneurs, providing basic information on Italian laws on immigration and entrepreneurship in Italian, English, French and Spanish. From 2006 to 2008, this office also carried out a microcredit project (see below).

Within the Municipality of Bologna, the Department of Productive Activities oversees all formal procedures that immigrant entrepreneurs have to go through to open a business in the city of Bologna. The department has also collaborated with the mayor in devising specific rules on the opening hours of trade activities (such as bars and grocery shops) in the city centre because of residents’ complaints about the disturbance caused by drunk people late at night who meet outside shops selling alcohol. These shops are usually run by Pakistanis and Bengalis. Moreover, the municipality has opened an Enterprise Office that provides information on bureaucratic formalities and access to contributions and loans for the start-up of new enterprises. Funding is offered on the basis of public tenders open to all entrepreneurs. This

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13 In particular with Sergio Cofferati, the previous PD mayor (centre-left wing), and with Flavio Del Bono (PD, centre-left wing) at the beginning of its mandate. Flavio Del Bono resigned in autumn 2009 because of a scandal concerning abuse of public money while he was a regional councillor.
Case study: Bologna, Italy

is the case in particular of the so-called Mambo Project that provides special funds for the opening of commercial activities in disadvantaged city areas (see below).

Another crucial institution is Bologna’s Chamber of Commerce, a state institution not directly dependent on the local government. Besides keeping the Register of Businesses and Crafts, the chamber offers many opportunities for support, including loans, entrepreneurial training, consultancy and orientation. However, there is no specific programme for migrant entrepreneurs. The Study and Statistics Service publishes annual reports on the situation of SMEs in the province of Bologna as well as a specific report on immigrant entrepreneurship. Moreover, in 2009 the Chamber of Commerce of Bologna collaborated with the Entrepreneurship Projects Office of the Province of Bologna to draft the multilingual guide mentioned above.

Non-state institutions also play an important role for entrepreneurship, especially professional associations. Among them, the CNA has run a special service for immigrant firms (called CNA For Foreign Enterprises) since 2003, providing all kinds of managerial and financial assistance. Clients have to be members of the association and pay the annual fee, which is reduced for immigrants (between €80 and €100 instead of €240). CNA also runs a special service for Chinese entrepreneurs in the Navile area. This office opened in the 1950s, when the first Chinese arrived to open small textile factories.

As for the trade sector, the two main professional organisations operating in Bologna are Ascom (National Association of Merchants) and trade association Confesercenti, addressing both shopkeepers and entrepreneurs in the sector in general. As with CNA, these organisations also offer a wide range of services for would-be entrepreneurs (often for free) and for their members. However, no special services for immigrant entrepreneurs have been promoted: foreigners looking for assistance in setting up a business or in ordinary management are supposed to make use of the general services offered to the organisation’s membership.

Access to and involvement in policymaking

As already mentioned, immigrants are members of some of the main professional organisations working with immigrant entrepreneurs, such as the CNA, which offers them reduced membership fees. Confesercenti’s Directive Committee has two immigrant entrepreneurs who have been long-term members of the organisation, but who have been elected because they are not considered to represent only immigrant entrepreneurs. However, no official data are available on these organisations’ foreign members.

There are no specific bodies representing immigrant entrepreneurs’ interests in local institutions. In April 2007 the province of Bologna established a Representative Council of Foreign Citizens elected directly by foreign residents, but no specific representation for immigrant entrepreneurs is envisaged. However, seven out of the 30 elected representatives are entrepreneurs (Osservatorio provinciale delle migrazioni, 2008, p. 21). The Foreign Citizens Districts’ Consultative Committees, established by the Municipality of Bologna and elected every April, are also general representative bodies whose role is to articulate the interests of all foreign nationals, rather than specific categories of immigrants. In the Navile district, where there is a high concentration of Chinese residents, the elected representative is one of the most well-known local textile entrepreneurs.

There are no parallel institutions or organisations of immigrant entrepreneurs in Bologna. Immigrant associations were described by our interviewed partners as extremely weak and poorly institutionalised, and do not seem to focus on the interests of specific categories.  

14 On immigrant associations in Bologna, see also Ponzo (2009).
Formal access to entrepreneurship, rules and regulations

Many people dream of setting up their own business, but it is not an easy process. Requirements and rules are often an obstacle for both Italians and foreigners. For the latter the difficulties are even greater owing to their status as non-Italian citizens as well as linguistic and cultural barriers. First of all, applicants must be permanent citizens with a valid resident permit. Then they need to understand the obstacles of the Italian legal and bureaucratic language and to meet all deadlines and requirements of the bureaucratic process, which are often different in their countries of origin.

The applicable legislation is found mainly in Legislative Decree 286/98, DPR 394/99 and Leg. Decree 3/2007. According to law, foreign citizens wanting to set up a business in Italy should:

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

Apart from these requirements, foreign entrepreneurs willing to set up a business must apply for a ‘Declaration’ issued by the Chamber of Commerce stating that there are no impediments to the setting up of the business. The Chamber of Commerce is also empowered to issue the so-called ‘evaluation of parameters on the availability of resources to start the activity’. When considering whether or not to issue such a certificate, the Chamber of Commerce takes into consideration costs connected to:

- buildings (lease or purchase);
- machinery and systems;
- equipment;
- supplies and stocks.

As far as the residence permit is concerned, foreign citizens entering Italy for the first time must apply for a specific permit of stay for autonomous employment. If the applicant has a permit of stay for different reasons (study, tourism, business), he or she needs to apply for it to be converted before they can start their activity. Finally, foreign citizens who have lived in Italy for at least five years and who already have a valid permit of stay, demonstrating the minimum required income and having proper accommodation, can apply for a long-term EC permit for non-EU citizens and also for autonomous employment reasons. The state police is the competent body for renewing or issuing the permit of stay, which must be shown for registration in the Register of Companies.

Once all the above requirements are fulfilled, the applicant must register the business in the Register of Companies at the Chamber of Commerce and, where needed, in the chamber’s register of craft businesses.

Then comes an application for VAT registration at the Italian Revenue Agency, registration with Social Security (INPS) and with the Italian Institute for Insurance against Accidents at Work (INAIL) if the entrepreneur plans on having employees or using dangerous equipment.
When it comes to the most common types of individual businesses set up by ethnic entrepreneurs, there are extra requirements to fulfil. Call centres have to be authorised by the Territorial Department of the Ministry of Communications. Those wanting to open a hairdresser’s shop (mostly Chinese and Moroccans) need a professional qualification acknowledged by the Chamber of Commerce’s Provincial Commission for Crafts and a permit issued by municipal authorities once all requirements have been fulfilled. Commercial activities, cafes and restaurants need a special permit from the municipal authorities.

As soon as the business is established, the entrepreneur has to send formal notice to the municipal authorities, and in particular to the tax office (Ufficio Tributi), in order to have the corresponding waste disposal charge applied. Among other duties charged to the entrepreneur are IRAP (regional tax on industrial activity), paid by the business, and IRPEF (personal income tax), paid by the owner by adding the income from the business to other forms of income. IRPEF is calculated on a progressive basis according to total income.

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

**Zoning plans**

In the field visit no specific reference was made to the impact of zoning plans on migrant entrepreneurship. However, some specific policies directed at improving living conditions in parts of the city considered to be particularly deprived or disadvantaged were mentioned as relevant for understanding the local development of immigrant entrepreneurship.

First of all, as already mentioned above, three mayors’ by-laws have been issued since 2008 to limit the opening hours of the small grocery shops owned by immigrants (especially Pakistanis and Bengalis) in the city centre of Bologna. These shops have been accused by the residents of selling alcohol until late at night, and in some cases, especially at weekends, attracting drunks and groups of young students.

Another policy of the municipality which has targeted specific ‘deprived’ districts is the so-called Mambo Project, launched in 2001. The main purpose of the project was to give grants to entrepreneurs willing to start innovative entrepreneurial projects in the districts of Borgo Panigale in the north-west of the city, Bolognina and Corticella and San Donato in the north (as pointed out in Chapter 3, these districts also have large numbers of immigrant residents), the Pilastro area in the east, and Malpighi, Porto, Marconi, Inerio, Fondazza and Mirasole in the city centre. In particular, three types of business activities were allowed to apply: handicraft and retail trade, information and communication technology, and fashion and design. In 2009, the funds devoted to this line of intervention amounted to €1,379,936. ¹⁵ The project could finance the 50% of the selected project up to €150,000. Half of the amount granted had to be reimbursed to the municipality on the basis of a plan agreed between the two parties. The funded business also had to agree to remain in the targeted area for at least five years after getting the grant. The project is not targeted at immigrants, although several have applied, mostly from those of Bengali origin. Table 14 shows data on the applications received and projects funded for the five calls for applications between 2001 and 2009. Unfortunately, no detail is provided on the national origin of applicants. However, few immigrants have benefited from the fund. According to the Enterprise Office, most of the foreign beneficiaries come from Bangladesh, a few from Morocco and one from Cuba.

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¹⁵ These were national funds of the Ministry for Economic Development.
Table 14: The Municipality of Bologna’s Mambo Project: Applications received and projects funded since 2001

<table>
<thead>
<tr>
<th></th>
<th>Applications</th>
<th>Projects funded</th>
<th>Of which: non-EU nationals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mambo 1</td>
<td>70</td>
<td>21</td>
<td>0</td>
</tr>
<tr>
<td>Mambo 2</td>
<td>46</td>
<td>13</td>
<td>0</td>
</tr>
<tr>
<td>Mambo 2a</td>
<td>33</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Mambo 3</td>
<td>796</td>
<td>17</td>
<td>0</td>
</tr>
<tr>
<td>Mambo 3a</td>
<td>113</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Mambo 4</td>
<td>60</td>
<td>26</td>
<td>3</td>
</tr>
<tr>
<td>Mambo 5</td>
<td>143</td>
<td>42</td>
<td>3</td>
</tr>
<tr>
<td>Mambo 6</td>
<td>128</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>672</td>
<td>172</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Municipality of Bologna, Enterprise Office

Sectoral rules and regulations

As pointed out above, there are usually specific requirements to be fulfilled for most of the common types of businesses set up by immigrant entrepreneurs in Italy. This section deals only with those specific rules that appear to have a significant influence on immigrant would-be entrepreneurs.

First of all, as already mentioned, a migrant wanting to set up a hairdresser’s shop or a beauty salon, has to have a professional qualification acknowledged by the Emilia Romagna Region and by the Chamber of Commerce’s Provincial Commission for Crafts. In both cases, this implies the need to undertake a three-year professional training course, as the recognition of professional qualifications acquired abroad is very time consuming and uncertain. As a consequence, in Bologna and elsewhere these professions are more often taken up by second-generation immigrants than first-generation ones. As in Turin (Tarantino, 2010), this is particularly the case for the children of Chinese immigrants, who are entering these professions in relatively high numbers.

Another sector that is particularly difficult for immigrants to access because of specific restrictive rules is that of taxi drivers. In general, one has to be an Italian citizen, or an EU national to become a taxi driver. The regulation issued by the Municipality of Bologna also includes non-EU citizens on the basis of a reciprocity clause (that is, Italian citizens should be allowed to become taxi drivers in the countries concerned). Licences are issued by the municipality in limited numbers and on the basis of open competition. According to the so-called ‘liberalisation law’, Law no. 248/2006, municipalities are autonomous in deciding the number of licences to be issued and fixing a price. The last public call of the Municipality of Bologna held in 2008 fixed a price of €150,000, whereas before that no payment was required.

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16 See Municipality of Bologna, Regolamento unificato per la gestione sovracomunale degli autoservizi pubblici non di linea con autovettura (taxi e noleggio con conducente), 16 October 2007, no. 223 (http://www.cotabo.it/document/upload/cartadeiservizi/regolamentotaxibologna.pdf).
Business acumen

As already mentioned, public institutions in Bologna have not undertaken any specific policy for immigrant entrepreneurs. Neither the municipality nor the province is involved in organising measures such as courses for developing immigrants’ business acumen, even though they acknowledge that these kinds of measures would be useful (see Chapter 4).

Courses are often offered by professional organisations such as Ascom, Confesercenti and CNA. However, only CNA organises specific training sessions for foreign entrepreneurs. The CNA Service for Foreign Enterprises is particularly concerned with developing immigrants’ skills in general management. Various courses for foreign would-be entrepreneurs have already been organised on topics such as how to manage subcontract relations (the main legal obligations, penalties and so forth), which was of particular interest for entrepreneurs working in the construction sector. Special courses for Chinese entrepreneurs have also been offered, with the presence of a Chinese interpreter. These have focused on safety and health regulations.

Finance

Access to credit loans is a crucial issue for local institutions. As pointed out above, the Business Office of the Municipality of Bologna provides soft loans for all entrepreneurs willing to establish their business in areas of the city designated as deprived areas. The Province of Bologna, through its Entrepreneurship Projects Service, provides information and counselling on access to bank loans. Both services are for foreign and Italian citizens.

Between 2006 and 2008 the Entrepreneurship Projects service also ran a microcredit project (called MicroAccess) thanks to an agreement with Carisbo (the main bank in Bologna) and Emil Banca (a smaller cooperative bank operating in the Emilia Romagna region). Of a total of 25 business plans financed, four were presented by foreign nationals (from Japan, Romania, Kenya and Peru respectively). Entrepreneurs enrolled in the project were selected by the Province’s office for the innovative character of their business idea and were given access to bank loans offered by Carisbo and Emil Banca with the sole guarantee provided by the province. Individual training on management and other entrepreneurial skills was also provided to the selected entrepreneurs in the context of a European Social Fund programme.

According to the interviewed partners, professional organisations such as Ascom, Confesercenti and CNA play a crucial role in helping businesses in Bologna to gain access to credit. These organisations manage guarantee funds that are aimed at facilitating access to bank loans for their members. In other words, rather than dealing directly with a bank, entrepreneurs in Bologna usually take advantage of the intermediation of professional organisations that have established relations with local banks (especially Emil Banca and Banca di Bologna) and can provide adequate guarantees for their members. Hence, all these organisations run services providing information and counselling on financial issues to would-be entrepreneurs as well as guaranteeing schemes mediating access to banks’ loans. For instance, CNA runs a credit office that deals directly with banks in order to provide guarantees for its members. Foreign members of these organisations are supposed to take advantage of existing schemes, and no specific services for immigrant entrepreneurs were reported during the field visit.

It is not surprising, therefore, that the banking sector has not reported any specific measures for immigrant entrepreneurs. The local banking system relies on the intermediation of professional organisations, which collect requests from their members and stand guarantee for them. Of course, in this context immigrants can face more difficulties insofar as they have to become members of a professional organisation in order to get access to the banking system. But as foreigners, they might lack the credentials of most local entrepreneurs. Moreover, as immigrants are not generally familiar with professional organisations, which often do not exist in their countries of origin, a certain degree of mistrust has also been
reported. For these reasons, in 2005 Emil Banca supported the opening of a specific service for immigrant entrepreneurs together with the Committee for the Civil Rights of Entrepreneurs, the Immigrants’ Federation and the NGO Citizens of the World. However, this office does not seem to operate anymore. At the moment, Emil Banca provides services for its foreign clients (such as special bank accounts, money transfer), but nothing addressing foreign entrepreneurs specifically.

In the microcredit sector, the NGO Micro.Bo offers credit loans to private individuals who are in need of financial help because of emergency circumstances (such as job loss or unforeseen health problems). Immigrants are among the main clients of its services. Since 2005, Micro.Bo has also been carrying out a microcredit programme for both Italian and migrant entrepreneurs. Immigrant entrepreneurs are indeed the main beneficiaries, as they represent 69% of those who have received credit loans through Micro.Bo. The main countries of origin are Senegal, Tunisia, Morocco, Romania and Bangladesh, and applications usually concern the opening of small trade (57%) and handicraft (27%) activities. Foreign women are also an important category of recipients: of the female entrepreneurs who obtained microcredit from this organisation, 64% were foreign nationals. However, this programme has always played a minor role in the activity of Micro.Bo, which considers social emergency credit as its priority, especially in the context of the current economic crisis.

Recently, a local branch of the Chaabi Bank of Morocco opened in Bologna. Among its goals, the bank emphasises providing support to Italian entrepreneurs willing to invest in Morocco and to Moroccan entrepreneurs willing to invest in Italy. However, this has not yet translated into any specific programme for Moroccan immigrant entrepreneurs.

**Business locations**

During the field visit, no specific programmes aimed at providing immigrant entrepreneurs with appropriate locations were reported. However, professional organisations do usually offer help on this issue. In particular, the CNA Navile office, which deals mainly with Chinese entrepreneurs, has specialised in the search for suitable locations for Chinese textile firms. CNA deals directly with Italian owners in order to rent the location and with banks to obtain the necessary guarantees. The CNA Service for Foreign Enterprises also provides counselling on business location within the city of Bologna or in the municipalities of the province (so-called geomarketing counselling).

**Access to employment with ethnic businesses**

The field visit did not reveal any measures aimed at supporting access to employment or apprenticeship with immigrant enterprises. However, according to the CNA Service for Foreign Enterprises (see above), in the 600 immigrant business registered with the CNA Bologna branch in 2006, one-third of the employees were Italian citizens. This indicates the potential relevance of immigrant entrepreneurship for the labour market of the province of Bologna.

**Staff matters**

In the city of Bologna, no specific measures aimed at dealing with the staff of migrant enterprises have been identified. In general in Italy there is a concern with Chinese textile firms, which are sometimes believed to exploit co-national workers by imposing a lot of underpaid extra working hours. However, according to our interviewed partners, there is no evidence of such exploitation in the province of Bologna, since there are very few labour lawsuits involving Chinese

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17 The first Italian branch was opened in 2009 in Milan, followed by the Turin branch (see Tarantino, 2010) and recently the Bologna one.
immigrants. This might be explained by the fact that many Chinese workers hope to become entrepreneurs with the support of their employers and that this would be jeopardised by bringing a lawsuit against them. Unions also state that they have difficulties in getting access to these companies and recruiting the workers.

Concerns have also been reported with reference to eastern Europeans and Moroccan immigrants in the building and construction sector. As mentioned in Chapter 4, entrepreneurship in this sector often hides quasi-dependent work relations, since the entrepreneur is sometimes obliged to set up an individual firm to be employed as a subcontractor by a bigger Italian or immigrant firm wishing to avoid the payment of social security costs.

Marketing

The field visit revealed no specific programmes aimed at improving the marketing skills of immigrant entrepreneurs. Only four migrants in two years have benefited from the Province of Bologna’s MicroAcess microcredit programme (see above). However, they received training that included marketing skills.

Transnational economic connections

According to our interviewed partners, and especially the immigrant entrepreneurs interviewed on the field visit, the development of economic activity relies more on the family members that have also immigrated to Italy than on links or relations with the country of origin. The restrictiveness of admission policies makes it extremely difficult to recruit personnel in the home country, even specialised personnel. The case of an Indian restaurant that attempted to recruit a Nepalese chef but had to give up because of the impossibility of obtaining a visa is reported as emblematic. Chinese entrepreneurs usually recruit co-nationals who are already in Italy, although before restrictions introduced by the 2002 centre-right immigration law (Law 189/2002), they favoured the immigration (and even illegal entry) of fellow nationals to be employed in their factories.

In general, Chinese wholesale traders are reported as particularly involved in import/export activities with their home country, even though recently some of them have begun to buy products directly from the textile manufacturers in Italy because of the high transport costs in importing goods from China. According to the CNA office in the Navile district, some of the earliest Chinese entrepreneurs have started to reinvest their profits directly in China: in particular, they buy factories there where they produce products, labelled as ‘made in Italy’ which are then sold on the Chinese market. This is possible because of the lack of legislation in China requiring the real place of production of goods to be specified.

Training and management support

The kind of training provided to immigrant entrepreneurs in the city of Bologna has been described above. Professional organisations such as Ascom and Confesercenti provide training and management support to their members in general. CNA has organised specific management courses for immigrants who intend to start up a business. Some courses have specifically addressed Chinese would-be entrepreneurs, with the participation of an interpreter.

Illegal and informal practices

There are no official data on informal and illegal practices among ethnic entrepreneurs in the area of Bologna. However, as already mentioned, there are a number of concerns about labour exploitation in Chinese textile firms and in the building and construction sector. The Chinese are also reported to dodge taxes to a large extent and to attempt to circumvent safety regulations, despite fairly regular monitoring. Some Chinese entrepreneurs, faced with fines, have asked for a credit loan with the intermediation of the CNA service of the Navile district.
Dialogue between the actors

As already mentioned, the local authorities in Bologna have not generally engaged in policies addressing immigrant entrepreneurs specifically. Entrepreneurship services have been provided in the context of general local development policies and no specific measure addresses immigrant entrepreneurs. As a consequence, local institutions do not seem particularly involved in initiatives aimed at enhancing dialogue between the various actors concerned with immigrant entrepreneurs. It has to be said, that when the field visit was carried out (at the end of April and the beginning of May 2010), the Municipality of Bologna was managed by a national commissioner after the resignation of Mayor Flavio Del Bono (elected in May 2009). Consequently, there was no responsible Alderman for Economic Development and Trade. This might account for the lack of a clear strategy on the part of the municipality on the issue of ethnic entrepreneurship. However, according to our interviews, previous executives did not undertake any specific policy in this respect, despite the traditional activism of the Municipality of Bologna on immigrants’ integration in general (Caponio, 2006 and 2010; Ponzo, 2009).
Historically, Bologna has been part of the so-called ‘Third Italy’ model of economic development, which was characterised by the prominence of small and medium-sized enterprises, over the Fordist system of industrial production. In the 1970s, the industrial district of Bologna was one of the main export-oriented areas of the country: the extended network of small and medium-sized factories was able to ensure high-quality, extremely flexible and diversified production. However, in the past three decades the Bolognese industrial district has been undergoing profound transformation. Between 1981 and 1992 there was a fall of about 20% in the number of both firms and employees (Curti and Grandi, 1997, p. 134), while at the same time a growing tertiarisation of the local economy, and in particular of the city of Bologna, was taking place.

It is in this highly dynamic context that immigrants started to arrive in the province of Bologna in the late 1980s. The ageing of the local Italian population, combined with the lack of interest of the younger generation in the more heavy, dirty and poorly paid industrial work, opened a number of opportunities for immigrant men who settled in the region in this period (Marra, 2008, p. 5). There were an increasing number of Chinese immigrants who, as previously mentioned, first began to arrive in the 1950s. But there were also, Moroccans, Tunisians and Senegalese who were usually employed as factory workers in the small and medium-sized industries of the metropolitan and provincial territory. In the mid-1990s, new arrivals from the former Yugoslavia, Albania and later Romania were absorbed in the building and construction sector, while at the same time, increasing numbers of women arrived from the Philippines, Peru and Romania to enter the domestic and personal care sector. More recent waves include Ukrainian and Moldovan women, often employed illegally as domestic workers, and male workers from Pakistan, Bangladesh and Sri Lanka, initially employed in the manufacturing industries of the provincial area and now moving more and more into trade.

As has been pointed out in this report, the city of Bologna and its surrounding area seem to encourage the development of immigrant entrepreneurship. Many foreign entrepreneurs started to work as salaried employees, thus acquiring some knowledge of the local context and market. Moroccans, Tunisians, Albanians and Romanians have opened individual firms mainly in the building and construction sector, often as subcontractors of bigger Italian or multinational enterprises, while Chinese immigrants are particularly concentrated in the textile manufacturing sector, with small firms usually working as subcontractors for large multi-national businesses. More recently, Chinese entrepreneurs have begun moving into other sectors, such as trade and catering, and Pakistanis and Bengalis are replacing Bolognese people as owners of the small grocery and vegetable shops in the city centre. These immigrant entrepreneurial activities flourished in Bologna, as elsewhere in Italy, because of the 1998 repeal of the so-called ‘reciprocity clause’ (see Chapter 4). However, local authorities do not seem to have been particularly active in drawing up specific policies for foreign entrepreneurs. There are several reasons for this paradox.

First of all, the left-wing political tradition of the city has to be considered, which might have favoured a certain separation between the public sector on the one hand, and the private market on the other. According to those interviewed for this research, the private sector has always been able to develop autonomously, relying on the strong support provided by professional organisations such as CNA, Ascom and Confesercenti. As a consequence, local authorities have been more concerned with providing social services than with sustaining the local economy. In fact, both the province and the municipality offer few services to would-be entrepreneurs, and none specifically targeted to immigrants. This is in sharp contrast, especially at municipal level, with the highly articulated policy of immigrant integration promoted by the City of Bologna since the early 1990s (Caponio, 2006 and 2010; Ponzo, 2009). It is as if immigrant entrepreneurs are first and foremost ‘entrepreneurs’, and thus automatically assigned to the realm of the private market, in which local authorities do not appear to be particularly interested in having a say.

Of course, and this is the second factor that has to be taken into account, such a separation between public and private is feasible only insofar as there are other private institutions able to support entrepreneurial activities. Italian businesses usually rely on professional organisations for support in establishing a firm, gaining access to credit loans and carrying out ordinary managerial activities. As for immigrant business, it is not clear yet if the existing system is able to cope with
their needs. In the field visit, immigrant entrepreneurs showed a certain distrust towards professional organisations and a lack of knowledge of the services they offered. The only exception is the dedicated services offered by the CNA, one of which, the Navile office, is specifically aimed at Chinese entrepreneurs and employs an Italian-Chinese interpreter.

In the absence of public policies and private initiatives towards foreign entrepreneurs, these entrepreneurs, especially in the trade sector, seem to rely primarily on family and community resources. Yet, some indicators appear to highlight the greater difficulties that immigrant firms are likely to encounter in such a context. First of all there is the high turnover rate of immigrant business, which according to the Chamber of Commerce (Camera di commercio, 2009b) account for one-third of the annual churn in businesses in the province of Bologna; secondly, the concentration of immigrant entrepreneurs in the more unstable and less innovative trade activities such as cafés and grocery shops; thirdly, and related to the second point, the restricted number of immigrant entrepreneurs who have been able to gain access to municipal and provincial soft loans, which are actually aimed at rewarding more innovative initiatives.

Hence, while Bologna encourages migrant entrepreneurs in terms of economic culture and structural opportunities, the lack of attention to their specific needs and problems is likely to jeopardise their development, or at least limit it to a few sectors such as those characterised by subcontracting relations with Italian (or co-national) firms (as in the building and textile sectors) and/or by low levels of innovation (as is the case with retail trade).

**Good practices**

The energy of the Bologna branch of the CNA in supporting migrant business is particularly outstanding, especially if one considers the scant attention given to the issue by the city’s other professional organisations. The CNA started to work with foreign entrepreneurs in Bologna as early as the 1950s, opening an office in Navile when the first Chinese immigrants arrived in the area to open their textile factories. Since then, CNA has launched (in 2003) its CNA for Foreign Enterprises in the Savena district, followed in 2006 by another service in Sasso Marconi, a small village where migrant entrepreneurs are particularly concentrated in the building and transport sectors.

These services provide free information to all foreign citizens interested in starting their own business, as well as other more specialised services to all their members, such as:

- support and consulting for all bureaucratic procedures to be followed in establishing a firm;
- start-up and marketing counselling;
- advice on business locations;
- specific training on health and safety rules and labour regulations;
- financial counselling and access to credit loans through special CNA programmes.

There is a reduced annual fee for foreign entrepreneurs (between €80 and €100 instead of €240) to encourage them to join. In the Savena service, a Romanian front-office worker has been employed to deal especially (but not only) with Romanian firms, while the Navile service employs an Italian-Chinese interpreter.

Another good practice is the free special guide for would-be migrant entrepreneurs published in 2009 and distributed by the Entrepreneurial Projects office and the Chamber of Commerce of Bologna. This guide provides essential information on Italian legislation, and rules on immigration and entrepreneurial activities in Italian, English, French and Spanish. The guide also includes a glossary of relevant Italian legal terminology and a list of contacts.


List of persons interviewed

Antonio Barresi, Operative Unit Nuove imprese – Progetti d’impresa, Province of Bologna

Franco Chiarini, Servizio Statistica, Municipality of Bologna

Chinese shopkeepers (hairdressers’ shops and cafés) in La Bolognina district.

Asher Colombo, University of Bologna

Cosoleto, CNA Service for Foreign Entrepreneurs (Per l’Imprenditore Straniero)

Barbara de Blasi, Micro.Bo

Alessandro De Felice, Chamber of Commerce of Bologna

Patrizia di Pasquale, MAMBO Project, Municipality of Bologna

Ferraro, CNA, Chinese enterprises service

Maura Grandi, Bologna Industrial Heritage Museum

Gabriele Lanzi, Sportello imprese – Municipality of Bologna

Enrico Mazzetti, Confesercenti

Nigerian female entrepreneur (hairdresser near the central station)

Nicola Mioli, ENASCO, Ascom

Stefano Montosi, Ascom

Pakistani shopkeepers in via Zamboni and via delle Moline (city centre of Bologna)

Polish female entrepreneur (phone centre in La Bolognina district)

Officer, Chaabi Banque du Maroc

Officer, Emil Banca

Marco Sassatelli, Researcher Nomisma

Tiziana Caponio, FIERI and University of Torino