Kansenzones: economic impuls for urban multiproblem area

Entrepreneurial Diversity in a unified Europe
What is Kansenzones?

- Economic empowerment zones
- Pilot project (over the period 2005-2008)
- Co-production local/national government
- Sub project “Rotterdam Zet Door” (Rotterdam pushes forward on the pathway to a city in balance)
- Area focused economic stimulation project
- Interconnected with other projects and legislation
Goal Kansenzones

Accelerating economic revitalization of deprived area by stimulating private economic investments by:

• (New) entrepreneurs
• Owners of commercial real estate
Kansenzones: the statistics

Multiproblem areas with combined high percentages of:

- 150,000 inhabitants
- Youth
- Crime rate
- (long-term) unemployment
- Social housing (bad and cheap)
- Low incomes and low purchasing power
- Immigrants vs. natives
- Mobility (25% yearly)
- Poor or no education

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De Kansenzonegebieden: the area’s

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Aimed results

• Improving economic climate for entrepreneurship
• Solving empty and bad quality of commercial real estate
• Stimulating investment
• Attracting new entrepreneurs
• Attractive public space and facilities
• More employment
Instruments

- Financial arrangements with banks
- Communication and promotion
- Project development (new instruments)
- 50% investment premium SME
- Redevelop municipal Real estate for economic purposes
- TAX Fund on property (OZB)

Instruments

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Current state of Kansenzones

- More than 1000 requests (investment 30 million euros)
- 500 request granted, 250 denied, 250 in progress
- Monitoring effectiveness, longterm effects and spin off
- Municipal real-estate; Business Centre Feijenoord, Creative Factory
- Drop outs started internships at housing corporations
- Arrangements for subsidies 50%: on salary and education (140 contracts)
- Helping young entrepreneurs settle in the Kansenzones
Midterm review

• Basis: emphasis on clean, in tact, secure
• Higher investments on commercial property and business activa because of investment premium
• Higher confidence by entrepreneurs in future of the Kansenzones
• Too early for final conclusions on effectiveness in the long run
• Additional program is essential to create upward spiral
Approaching migrant entrepreneurs

Criteria in approach:

• Making an attractive and simple offer (50% premium)
• No differences in approaching Dutch or migrant entrepreneurs; same treatment
• Official communication only in Dutch
Communication

- Out reaching, active approach
- Presentations in ‘their own’ networks
- Advertisements in migrant media
- Deploy ‘street managers’ to bridge cultural differences
Results

• Participants of the project are ambassadors of Kansenzones in their own network/migrant group (seeing is believing)
• Equal response of Dutch and migrant entrepreneurs