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Immigrant business and niche formation in historical perspective: the Netherlands in the nineteenth century

Marlou Schrover

Abstract *This article presents an historical perspective on niche formation amongst migrants. Four case studies show four quite different routes niche formation can take. The routes depend on the characteristics of the niche and of the host society. Contrary to current ideas there was no evidence of groups of migrants moving from one niche to the next. Neither were niches vacated by a group of migrants filled by more recent arrivals. Most importantly niches developed gradually whereby both the niche and the group took shape during the process of niche formation.*

KEYWORDS: IMMIGRANT BUSINESSES; NICHE FORMATION; THE NETHERLANDS; GERMAN MIGRANTS; OPPORTUNITY STRUCTURE

Introduction

Immigrant entrepreneurship and niche formation rank high on the sociologist's research agenda. In this article, I will approach these subjects from an historical and thus long-term perspective, which offers the advantage that not only the process, but also the outcome can be studied.

Historically, niche formation was a common phenomenon. For instance, in the Netherlands in the nineteenth century, we see niche formation amongst Italian traders in plaster figures from the Duchy of Lucca, traders in leather gloves from the Zillertal in Tyrol and traders in scythes from Sauerland (Höher 1985). Niche formation frequently occurred in trade, but was not restricted to it. There were French umbrella-makers, Belgian straw-hat-makers from the Jeker valley, Lipper tile-bakers, Swiss governesses, Italian chimney sweeps, and Italian terrazzo-workers from Friuli. Numerous other examples could be given. Four examples of niche formation amongst German migrants will be discussed here: Westerwalder traders in stoneware, Oldenburger stucco-workers, shopkeepers from Munsterland and file-makers from the Enneperstrasse. Each of these cases represents a different route niche formation can take.

In this article I argue the following. As has been noticed by several authors (for example Waldinger 1996), niche formation is a phenomenon that frequently occurs in connection to migration. However, niche formation did not evolve along similar lines in each case. How the niche developed depended on characteristics of the sector in which the migrants were active, on the opportunity structure of the receiving society and on the nature of the migration process. The succession of different groups of migrants within a niche, as described by Waldinger (1996), was not a common phenomenon in the Netherlands. Migrants, or their children, left the niche after some time, but they did not move as a group to another niche. The niche they left was not filled by a new

group of migrants, but disappeared. Niches disappeared because the basis for it (i.e. demand for a specialised product or skill, or need for cheap or seasonal labour) dropped away. Most importantly the research presented here shows that the group involved in the niche did not exist as such prior to migration. The initial success of some migrants in a sector encouraged others to shift their activities to this sector. By doing so they contributed both to the niche formation and to the formation of the group.

Theory

According to Waldinger (1996), niche formation is the logical outcome of migration. Newcomers have a restricted number of contacts, and mostly with people from the same regional background. The exchange of information and recruiting of personnel takes place through these networks and results in a concentration in certain sectors. Portes (1994) has pointed out that niche formation may result from a preference amongst migrants for working with people who hopefully will understand them better or are willing to honour wishes regarding work, for instance during the Sabbath or Ramadan. Bonacich (1973) puts even more weight on ethnic bonding. She states that ethnic groups can act as economic-interest groups, because group solidarity leads to the availability of all kinds of resources at relatively low cost. Solidarity results from trust which is maintained through the criss-crossing network of personal ties. Trust can be capitalised on through low-interest loans and easy-to-obtain credit. The high degree of organisation among minorities enables them, according to Bonacich, to generate and distribute resources – such as capital, information, training, jobs, and labour – more quickly and efficiently than is possible in the surrounding society. Minority success in business promotes societal hostility, and hostility again promotes ethnic solidarity. It also promotes niche formation since it restricts the minority in what it can do, concentrating all efforts on one sector.

The phenomena of niches, self-employment and enclave economies have been explained from a 'disadvantage' perspective; migrants lack contacts, language abilities, and they are discriminated against (Fairlie and Meyer 1996; Spener and Bean 1999). This results in niche formation because, from an economic point of view, it becomes more advantageous to be self-employed. Self-employment can lead to niche formation thanks to the existence of a large pool of cheap labour, usually consisting of illegal or undocumented co-ethnics. According to Sanders and Nee (1987), success of the niche depends on the maintenance of this large pool of low-wage workers. These workers not only agree to work under bad conditions, because they do not speak the language or have restricted networks, but also because they have an illegal status or restricted rights. The illegal immigrants are employed in occupations where high labour intensity, low levels of technological innovation and low growth in productivity mean that labour costs escalate to the point of undermining economic profit. The only way to adjust the labour costs of these jobs to their productivity, according to Reyneri (1998), is to make them irregular, thus saving on indirect costs and sometimes even on direct costs. Self-employed immigrant entrepreneurs allegedly profit to a larger extent than others from the existence of this informal economy since they have easier access to the large pool of cheap labour via social contacts, ethnic bonds and manipulation of enforceable trust. Ethnic solidarity serves to

provide entrepreneurs with privileged access to immigrant labour and to legitimise paternalistic working arrangements (Portes 1981).

Fairlie and Meyer (1996) have drawn attention to the more positive aspects of employing co-ethnics, especially in sectors where there is a high turnover of employees. This high turnover creates the transfer of what Fairlie and Meyer call sector-specific human capital. Through the turnover of employees within the sector, ideas and knowledge about how the sector should be organised and run are dispersed amongst a constantly widening group. Through this sector-specific human capital the niche is strengthened and maintained.

The origin of a niche can be related to pre-migratory skills. The skills the migrants bring with them give them advantages in certain sectors. However, not only are the characteristics of the migrants important, but also those of the sector. Some economic sectors, such as the clothing industry, show great continuity as immigrant niches. Characteristics of the industry such as high labour intensity and flexibility, rather than the pre-migratory skills of the migrants, make the clothing industry a classic immigrant niche (Werbner 1980).

Immigrant entrepreneurs can either work for customers in the society at large, or they can cater to the wishes of their co-ethnics within enclave businesses. Niches can be found responding to demands for special foods, which originate from taste preferences, and can be strengthened by dietary rules. This form of niche formation hinges on geographical concentration (Chin *et al.* 1996). Within the enclave there will be possibilities for some, but not for all, to set up restaurants, pubs and specialised shops. The probability of self-employment is larger within the enclave than outside it (Zhou and Logan 1989). Self-employment is thus related both to the size of the immigrant group and its spatial concentration. For newly arrived immigrants, participation in a pre-existing ethnic economy can have positive economic consequences, including a larger opportunity for self-employment (Portes and Jensen 1987). Spatial concentration, however, does not explain all. Aldrich *et al.* (1985) have concluded that within the constraints imposed by residential patterns and business location, entrepreneurs face a market within which issues of social distance and ethnic appeal generate separate niches for different groups.

Niche formation can evolve from the exclusive access migrants may have to certain trade goods. They can act as the sole representatives of a certain good, or through family ties and other contacts get more favourable trade conditions (Chin *et al.* 1996). This form of niche formation can be strengthened by the recruitment of employees from the region of origin, who are willing to work for lower wages or longer hours (Portes 1994).

Migrants may fill a gap in the market left vacant by others (Wilken 1979). Migrants can monopolise a sector when a link is made between pre-migratory skills on the one hand and an association between the specialisation and the group on the other. Ideas in the host society about qualities of the newcomers can lead to exclusion, but can also reserve an economic sector for them in a more positive sense. In current Dutch society, pizza parlours are associated with Italian migrants. This makes it difficult for other migrants to set up a similar business. Turkish migrants who want to run a pizza business masquerade as Italians by wearing striped t-shirts and using a handful of Italian phrases (Larsen 1995). Niche formation need not occur only in a field that is new (Stepick 1990). The established population may also withdraw from a field that is considered to be

Demand for:	Possibility for/to:	Enforced by:
<ul style="list-style-type: none">▪ a special skill▪ a specialised product▪ cheap labour▪ seasonal labour▪ flexible labour	<ul style="list-style-type: none">▪ enclave business activities▪ employment within the niche for men and women▪ transfer of an inheritable economic base▪ closure of the niche▪ generating sector-specific human capital	<ul style="list-style-type: none">▪ government policy▪ lack of work options outside the niche▪ availability of illegal workers▪ absence of technological change▪ association of group with skill or product▪ nature of migration process

Figure 1. Factors that influence niche formation

no longer profitable, and be replaced by newcomers willing, forced or able to work with lesser margins.

Light and Karageorgis (1994) have pointed out that the nature of niche formation is determined by, amongst other things, the possibilities it offers for family members to get involved in it. When both men and women can work in the niche, a much closer relationship develops between the group and the economic sector. The possibilities for family members to get involved depend not only on the nature of the sector, but also on work options outside it. When there are many possibilities within the niche, and only few outside it, entrepreneurs can profit from the existence of a large reservoir of cheap labour. This will strengthen the success and continuity of the niche.

As Sanders and Nee (1987) have shown, the long-term development of a niche is constrained by the principle of competitive exclusion. A niche can support only a restricted number of entrepreneurs.

Looking at niche formation from a historical perspective, Waters (1995) points out that the main determinant of niche formation was free mobility of human capital within the larger host society. The establishment of a niche by migrants depended on whether individuals could ‘move’ what Waters called their ‘inheritable economic base’, be it land, labour, class status or guild membership, freely into the country to which they migrated.

Lourens and Lucassen (1999) have drawn attention to the fact that niches develop gradually. Migrating labourers from Lippe were first involved in many more occupations than tile-baking only. The niche started to take shape when the alternative options eroded at the same time as the opportunities in tile-baking expanded. The Lipper authorities enforced the niche by appointing a so-called messenger, who held a monopoly in closing the deals with the Dutch producers who wanted to hire the Lipper tile-bakers.

Oberpenning (1996) has also paid attention to government influence. When textile-traders from Munsterland had gained a position of some importance in the seventeenth and early eighteenth century, various German authorities enforced their position through regulations because they saw in these traders an important outlet for their regional textile production. Protection of the traders was a way to encourage proto-industrial production.

To sum up, amongst authors there is no consensus on how niches originate and develop. This lack of consensus is a reflection of the diversity within niche formation. The enumeration given above is summarised in Figure 1.

Although niche formation clearly is related to migration, not all migrants end up in niches, and not all niches show the same persistence. Migration can therefore be seen as a necessary, but not a sufficient cause of niche formation. By discussing four specific cases – each of which represents a different route niche formation can take – an attempt is made to determine which are the crucial factors in the niche formation process. Under which conditions does niche formation take place, and what contributes to the persistence of a niche?

Below I will describe to what extent the four chosen niches correspond to the characteristics outlined above. Before doing so a few remarks are made about German migration in general, and more specifically to the town of Utrecht – the focus of my research.

A German minority in Utrecht

In the nineteenth century, as in preceeding centuries, Germans were by far the largest minority in the Netherlands. Of all foreigners in the Netherlands, about 60 per cent came from German regions. In the middle of the nineteenth century, there were officially over 40,000 Germans in the Netherlands. In Utrecht, German migrants constituted 1 per cent of the population. The figures do not describe the German community in an analogous manner to contemporary definitions of migrant communities, because they do not include migrants' children. Nor do they include temporary migrants. The real number of migrants in Utrecht was probably considerably higher than the official figure indicates. This not only resulted from the fact that some German migrants failed to register, but also, and perhaps more importantly, because a considerable number of German migrants were incorrectly registered as Dutch. Detailed research into birthplaces, done as part of this research, has shown that German place names were frequently confused with somewhat similar Dutch place names. People who appear in the census as Dutch-born, show up in marriage and death records as Germans. When the official figure is corrected for this under-registration it becomes apparent that the German minority in Utrecht was in fact 40 per cent larger than the official census figure indicates.

Information presented here relates to an in-depth study of the lives of over 2,000 German migrants who lived in Utrecht between 1850 and 1879. The group includes all people who were born in German regions and lived in Utrecht in this period on a permanent basis. The research does not relate to people who were in Utrecht only a few days or weeks. Data were collected from the population registers, which were based on ten-yearly censuses. The population registers keep track of all changes that occur in the ten years after the census. They list addresses, names, date and place of birth, religion, marital status, occupation, date of death, and previous and new addresses. The registers allow reconstruction of geographically-based networks. Information from the population registers was supplemented with other information, for instance from juridical and tax sources.

The economic opportunity structure (Morawska 1996; Waldinger 1996) determined which migrants came to Utrecht. Utrecht is located in the centre of the Netherlands. In 1849, the town had a population of 50,000. This increased almost three times by 1920. Because of its central position, Utrecht was an important

centre for trade and commerce. The opportunity structure of Utrecht in the second half of the nineteenth century encouraged a gravitation of migrants towards trade. Industry offered more restricted opportunities.

Within the Utrecht community, German migrants were not recognisable as one coherent group. They did not live concentrated in one part of the town, they did not have a shared religion (about half of the migrants were Catholic, half Protestant and 2 per cent Jewish), and they did not belong to the same class or profession. The German migrants did not form one community, but rather several separate communities (Schrover 2000). This partition into separate groups has also been noticed for other German communities (Henkes 1998; Nadel 1990; Panayi 1995).

Not all German migrants were involved in a niche. Nevertheless, the four groups discussed below together formed the majority of the German population in Utrecht. The group of stoneware traders was the largest (about 35 per cent), the shopkeepers and their assistants formed about 20 per cent of the German population, while the file-makers and stucco-workers each accounted for 5–10 per cent. Besides people involved in these four niches, there were German migrants working in a variety of professions scattered across town.

The stoneware traders

Of the four groups discussed here, the stoneware traders' niche existed longest and the Westerwalders showed most coherence as a group. The niche existed for a whole century before it collapsed and the group's members dispersed into Dutch society.

All Westerwalders in Utrecht were engaged in the specialised trade in stoneware jars and pitchers and there were no stoneware traders in Utrecht who were not Westerwalders. The stoneware traders formed the largest German minority in Utrecht. They lived together in a few streets just outside the (former) city walls. Similar communities of Westerwalders existed in many other Dutch towns (Schrover 1998a, 1998b).

The Westerwald is situated in what was, until 1866, the German duchy of Nassau. The clay in this region has the special quality that its particles sinter together when baked at a high temperature. This sort of clay was only found in the Westerwald. From this clay air- and water-tight stone bottles were produced that were particularly suited and widely used for the storage of natural mineral waters. Their airtight quality guaranteed that the level of carbon dioxide was maintained. Stoneware jars were used for preserving fruits and vegetables. Already before the nineteenth century, traders from the Westerwald went beyond the region of production to sell the jars and jugs. The traders were not part-time potters. Production and trade had already been separated before the nineteenth century.

The nineteenth century saw a strong increase in the demand for stoneware. At the beginning of the century, the method of transport changed. Improved transport facilities made it possible for traders to react to increases in demand, but also enabled them to open up new markets, especially when guild restrictions, which had limited the Westerwalders' activities to that of wholesalers, were abolished at the beginning of the nineteenth century. Westerwalders could now act both as wholesalers and as retailers.

The demand only started to decline at the end of the nineteenth century, when

glass bottles replaced stoneware. The glass bottles were lighter and easier to clean. At the end of the nineteenth century it furthermore became the fashion to add extra carbon dioxide to the mineral water. This increased level of carbon dioxide could be kept better in glass bottles.

The increased demand for the Westerwalders' goods until the middle of the nineteenth century, and its decline towards the end of the century, were reflected in the migration pattern. In the middle of the century the number of migrants was largest. After 1870, it sharply declined. This decline is not only explained by a decreased demand for stoneware, but also by more employment opportunities near the Westerwald region at the time of Germany's industrialisation.

When the trade in stoneware expanded, and the number of traders increased, Westerwalder traders continued to recruit personnel in their region of origin. Originally most traders came from the neighbouring Catholic villages of Baumbach and Ransbach. When the trade expanded, servants were found in other villages in the region. Although the Westerwald was religiously mixed, the recruited servants were, like the original traders, all Catholic. Some of the servants were related to the earlier traders; others were not. The increased demand for Westerwalder goods, in the middle of the nineteenth century, meant that more people entered the trade. Although the region from which people were recruited expanded, the trade was kept within a regionally-based group and links with the region of origin continued to exist. These ties were strengthened by the fact that many of the earlier traders had property in the Westerwald, or had acquired property after trading in the Netherlands for a few years. Ties with the region of origin were also strong because the migrating traders, both men and women, left their children behind with family or caretakers in the Westerwald. Part of the Westerwalders lived with their families in the Netherlands more permanently. A larger group of Westerwalders migrated to and from the Netherlands seasonally.

When the trade expanded, people with limited means entered into it. Their attempts at the trade were stimulated by credit from the producers and wholesalers in stoneware. Originally, acquiring credit was facilitated by the fact that many of the traders had family ties with producers. Traders could get their goods on credit, paying for them only when they returned from the Netherlands. In this long-distance trade, trust was important.

Contacts and credit from producers or suppliers formed the barrier of entry to the stoneware trade. As in other trades, the stoneware trade was organised in partnerships: two or three traders pooling resources and profits, and employing five to ten servants. Women and men were equally represented both amongst these partners and the servants. The fact that women and men were equally active in the stoneware trade had important consequences for the group's cohesion. Because whole families were active in this trade, family ties and business ties overlapped. This strengthened the ties within the group.

The Westerwalders in Utrecht lived on the south side of the town in or near the warehouses in which they stored their goods. Family migration, and need for access to water and warehouses, combined to enforce a spatial concentration. All the Westerwalders in Utrecht settled in one small neighbourhood. The choice of this neighbourhood near the waterfront was not illogical. Furthermore, the neighbourhood was originally situated just outside the city gates, and goods stored here were exempted from tax. As not all of the goods were sold within

the town, but some were distributed to other places, a tax advantage could be gained by storing merchandise outside the town walls.

The neighbourhood may have had its advantages, but it was also one of Utrecht's worst slums. It is striking that the Westerwalders continued to live in this neighbourhood throughout the nineteenth century. The group lived in some 180 houses, clustered together on a small site, with many blind alleys and warehouses. In other Dutch towns, Westerwalders likewise lived near the water, in warehouse districts.

For a whole century, the Westerwalders lived inside their neighbourhood. At the end of the nineteenth century the community dissolved and the Westerwalders dispersed. Some went back to the Westerwald, but many stayed in the Netherlands. The Westerwalders stopped working in the stoneware trade, and no new migrants came from the Westerwald. The demand for Westerwalder goods decreased. The Westerwalders in Utrecht started to marry outside their group, and moved to other parts of the town.

The file-makers

In the case of the file-makers, niche formation rested on the combination of skill and absence of technological change. The file-makers came from the border region between the Bergische Land and the county of Mark, south of the Ruhr town of Hagen, also known as the scythe-makers' valley or Enneperstrasse. Traditionally, this region produced iron products and textiles. In the nineteenth century, both industries boomed and industrialised. Already before the nineteenth century, the region was strongly orientated towards trade, mainly with the Netherlands.

All file-makers in Utrecht came from the scythe-makers' valley, and all were Lutheran, although the region from which they originated was not strictly Lutheran. Men and women were not equally represented amongst the migrating file-makers. Most migrants were men.

During most of the nineteenth century, files were not factory-made. Iron or steel was forged in the factory. Rods of iron and steel were then processed in the putting-out system. Until the end of the nineteenth century, files were cut by hand. There were attempts to mechanise file-cutting, but these did not have any success until after the turn of the century. Until 1900, files were cut as fast by hand as by machine, while hand-cut files were better than machine-made ones (Dick 1925). There was no advantage to be gained by factory production.

File-making was subdivided into many smaller tasks. The file went through as many as twenty pairs of hands before it was finished. The actual cutting of the file was a difficult skill to learn. It took four to six years to become a skilled cutter. Filemakers were assisted by less-skilled workers who did the preparatory and finishing work.

In the nineteenth century, files were made in two German regions only. Towns did not have their own file-maker like they had their own smith. The two regional centres of production worked for a national or international market. In the two German regions of production, files had been made at least since the fifteenth century. All ironwork was severely guild-regulated. File-makers had their own guild. Even when the guilds were abolished, file-making remained organised in a guild-like manner. It stayed within only a few families, and went from father to son. After the abolition of the guilds, file-making remained a

closed profession. The file-makers used to hire hands from within their own group. If a file-maker hired a hand from outside the group, his filing cot was burned down (Hardenberg 1940).

In Utrecht a small group of file-makers hired other file-makers and auxiliary workers from their region of origin. Not only requirements of skill, but also the traditionally closed nature of the profession will have continued this practice. As file-making did not offer any advantages when done in a factory setting, the file-makers, like in their region of origin, worked independently on an artisanal basis, assisted by the auxiliary workers. The group's coherence rested on the transference of an inheritable economic base, as described by Waters (1995).

The migration of the file-makers and their associates differed from that of the stoneware traders. It was not seasonal and there was hardly any return migration. File-making was mostly a male profession, and the number of men amongst the migrants far outnumbered the women. Family ties and business ties did not overlap to the same extent as in the case of the stoneware traders.

Some capital was required to set up as an independent file-maker. Capital will, however, have been less of a barrier to entry than skill. Files were used in many professions. Each profession needed its own types of files. Files were made in all sorts of shapes and in different grades of hardness. Although there will have been a local demand for files, it is likely that the file-makers worked for the national rather than the local market, like their German-based counterparts did.

The nature of the industry enforced some spatial concentration. File-makers were supplied with iron rods, probably from Germany. These will have been transported by water. The file-makers used water-powered grindstones. Furthermore they needed water for cooling the files while they were processed. In the course of the production process the file-makers polluted the water with chemicals. These characteristics of the industry will have been reason to allocate the file-makers near the water on the north side of the town, when the river had already passed the city, rather than at the south side where the river entered the town.

File-makers lived in a rather good part of the town. This may indicate that either the file-makers were more financially successful than the stoneware traders were, or that they invested less in their region of origin. Fewer investments in the region of origin could mean that they saw their migration as more permanent from the beginning.

The file-making business only collapsed at the beginning of the twentieth century when the industry finally did mechanise. Files started to be imported on a large scale from Germany and England.

The shopkeepers

The niche formation amongst the shopkeepers rested on the abundant availability of cheap labour. The German shopkeepers in Utrecht came from the Catholic Munsterland in Oldenburg. In earlier centuries this region had specialised in the textile trade. Traders did not deal in products that were made in their own region, but bought and sold goods everywhere (Oberpenning 1996). In the beginning of the nineteenth century the traders started to set up shops in the Netherlands (Miellel 1992).

These firms started out by selling cloth. To this were added ready-made

accessories: gloves, ties, collars, cuffs, stockings, scarves, socks and underwear. The next step was the production of ready-to-wear clothing, first for men and boys, later for women and girls. The reason for the earlier introduction of men's and boy's wear was not just that men were less fussy about what they wore; there was a long tradition in making men's ready-to-wear clothes based on production for the army and navy. Production of ladies' wear lacked this tradition. Furthermore, ladies' dresses were more complicated. In this period, however, ladies fashion rapidly simplified, which made the outfits easier to produce on a ready-to-wear basis.

The working classes had been dressing themselves in hand-me-downs. In the middle of the nineteenth century, there was a lively trade in second-hand clothes. The introduction of ready-to-wear clothes meant that the lower classes could afford new clothes. Combined with a rising income, this created a new market. The German shopkeepers both created this market and responded to it. They also introduced new retailing techniques: fixed low prices, as opposed to the existing tradition of haggling, and large windows, well-lit with gaslight or, as an extra novelty, by electricity. In a period of 20 years, the German shopkeepers transformed both the retailing techniques and the inner city's appearance. Pre-migratory experience of the new shopkeepers only played a restricted role in the development of this niche. The shopkeepers had a trading background, but they were new to shopkeeping.

The articles of ready-to-wear clothing were partly made in workshops above shops. These workshops also made clothes for other shops, in and outside Utrecht, operating under a different name and working on a franchise basis. The workshops used material bought in the Netherlands. There were no ties with the region of origin in this sense.

The shops employed tailors working outside the shops. Rather strikingly, in Utrecht these tailors appear seldom to have been German. In Amsterdam, German migrants were important in this sector (Knotter 1991). The shop assistants and the milliners who worked for the shops were, however, all German. They were housed above the shops. Like their employers, these men and women were all Catholic and all from Munsterland. The turnover rate of the shop assistants was extremely high. This means that over a ten-year period, hundreds of shop assistants passed through the shops' boarding houses. Half of these migrants came directly from their native Munsterland; the other half had already been living in other Dutch towns where they had worked in other shops of the same company, or in similar shops of competing companies.

Not all shop assistants at the various large German shops were of German origin. The German shops also employed Dutch, French, Belgian and English assistants. The longer the shop existed, the lower the percentage of Germans amongst its personnel became. However, Dutch shops did not employ German shop assistants. This need not have been because of discrimination. The large German firms were the only ones that had many assistants. The small Dutch shops often worked without assistants or with the assistance of family members only.

The boarding houses above the shops, where the German men and women lived, had strict rules about the times at which the lodgers had to be in at night. On Sunday it was seen to that they went to church. Cost for board and food was deducted from the shop assistants' wages. Furthermore, they themselves had to pay for the outfit they wore in the shop. As a result next to nothing was left of

their wages (Miellet 1992). The shop assistants worked long hours. The male assistants probably agreed to work under these conditions as they hoped eventually to be able to set up shop for themselves. In fact, some of the successful later entrepreneurs in this sector started out as shop assistants. The high turnover of shop assistants created the transfer of what Fairlie and Meyer (1996) called sector-specific human capital. The newly-recruited shop assistants perpetuated and expanded the niche. The niche absorbed the new arrivals from Munsterland. Although originally the shopkeepers may have recruited assistants in their region of origin, the success of the shopkeepers will later have attracted young people to come on their own account, thus strengthening the process of niche-formation. The success of the earlier entrepreneurs will have resulted in a selective migration process. People willing or able to work in the same sector as their successful predecessors will have been more likely to migrate.

The shopkeepers niche did not really disappear, but more or less diluted. Others copied the highly successful shopkeepers' retailing techniques. In due time, the boarding houses, and thus the control over the workers, disappeared. The descendants of the original migrants started to hire workers from elsewhere, although some companies, such as C&A, continued to have a preference for Catholic staff well into the twentieth century.

Stucco-workers

In the case of the stucco-workers the niche rested on the combination of skill and the seasonality and irregularity in the demand for this kind of worker. The stucco-workers all came from the duchy of Oldenburg and all were Lutheran. A few masters lived in Utrecht permanently. In the summer season they recruited a large group of workers from a few villages south of the town of Oldenburg. These stucco-workers lived with or near their employer. Groups of stucco-workers did not only journey seasonally between Oldenburg and Utrecht, but also travelled a lot within the Netherlands. At the end of the nineteenth century, organisations were set up to facilitate these travellers. Probably these organisations formalised practices that had already existed earlier.

Only men did stuccowork. Migration therefore consisted mainly of men. Stuccowork could not be done in the winter. Furthermore, the work could not be done until the very end of a building phase. This meant that the demand for stucco-workers peaked frequently and that workers and masters were put under a lot of pressure to finish a job. Fluctuations in the demand for stucco-workers within the season explain the travels of the stucco-workers inside the Netherlands. Groups as large as 40 workers could travel between the major towns responding to demand. Both the stucco-masters and the stucco-workers could profit if these travels were well orchestrated.

In the eighteenth century, stucco-workers had made highly decorative wall and ceiling ornaments by hand. In the nineteenth century, the plaster ornaments were cast in moulds, not at the building-site but in a workplace. Casting was often not done by the stucco-workers themselves, but by Italian *figuristi*. The task of the stucco-workers was to fit the cast ornaments together in a way that would hide the seams. At the end of the nineteenth century fashion changed. Wall and ceiling decorations disappeared and stucco-workers only had to plaster smooth surfaces. This meant less-skilled workers could be employed. At the same time expanding possibilities for work in Germany meant that fewer workers came.

Nevertheless stuccowork did remain highly organised and rather separate from other building activities.

Prostitutes, domestic servants and others

The four examples given above all show strong niche formation related to migration. Although these niches together accounted for a majority of the German migrants, there were also Germans active outside niches. A description of their activities will show that not all the German presence in a certain sector did lead to niche formation. Furthermore, factors that according to theory should contribute to niche formation, such as 'illegality' or the existence of enclaves, seem to have been of little importance.

In 1878, Moritz Brenner moved his hat factory from Cologne to Utrecht. Brenner's factory was the only business in Utrecht that produced felt hats. The entrepreneur had both a novelty and a monopoly. With Brenner came 38 hat-makers; 35 men and three women. Seventeen hat-makers were born in Cologne, like Brenner himself; the others were born elsewhere in Germany, in Switzerland, Hungary, Italy and Norway. Brenner was Jewish, as were some of his workers. However, most were Catholic and Lutheran. Some of the male hat-makers came with their wives and children. All were housed near the factory, where they formed a small community of over 50 people. Brenner's business collapsed within a few years. The newly-built factory was sold off and the workers dispersed. Brenner was an innovative immigrant entrepreneur. His business might have developed into a niche, but this possibility was forestalled by the collapse of the enterprise.

Christiaan Rencken was another innovative immigrant entrepreneur, but rather more successful than Brenner. He came from Saxony and in the 1840s started to make metal buttons in Utrecht. He quickly changed to metal ornaments and profited from the large and new demand for what was called street furniture (lamp-posts) and the furnishings of railway carriages. In the initial phase of his enterprise he employed some German workers. Rencken was Lutheran; his workers were mostly Catholic. The workers came from everywhere in Germany. But then Rencken's enterprise lost its Germanness (as far as it had any) and did not develop into an immigrant niche.

We get a bit nearer to niche formation when we look at traders from the villages of Oberkirchen, Westfeld, Nordenau and Ober-Sorpe, situated in the mountainous part of German Sauerland. These villages specialised in the production of knitted goods such as stockings and underwear. In the second half of the nineteenth century these villages produced 720,000 pairs of stockings per year. This domestic industry involved about 300 people working on advanced knitting frames (Bruns 1981). Men and women from this region sold these goods in the Netherlands. Soon after the niche – trading in knitted goods – had made an embryonic start, British factory production erased the region's domestic industry. The traders from the region lost their trading advantage and the niche disappeared before it could fully develop.

In Utrecht, we also find a few dozen traders and artisans from Elberfeld. Amongst these migrants we see no niche formation. They worked in a variety of professions without any apparent coherence. In the nineteenth century, the German town Elberfeld was an important textile centre, but this regional specialisation apparently did not lead to niche formation amongst its migrants.

Goods from the Elberfeld region were sold through other outlets. There were ample work opportunities for textile workers in the region itself. The absence of a textile industry in Utrecht gave them little reason to come to this town.

Domestic service was an important occupation for German women in Utrecht, but it was not a German niche. The German domestics in Utrecht came from a restricted area; a stretch of land 10 kilometres in width, and less in length, including Cleves, Goch, Emmerich, Bocholt and Wesel. The region is a semi-enclave in a geographical sense, bordering on the Netherlands both in the north and in the west. All German women coming from the region were Catholic. Although the German domestics shared a regional background, profession and religion, they did not form a niche, because Dutch domestics vastly outnumbered them. German domestics formed about one per cent of the total number of domestics.

Booming new industries need not necessarily accommodate newcomers. German migrants were, for instance, noticeably absent amongst the cigar makers. Cigar-making was an important new industry in Utrecht, and employed 1,700 men and women. Although German migrants had originally introduced cigar making in the Netherlands, the cigar industry in Utrecht did not employ Germans. In another booming sector, the railroads, we find a few dozen Germans. As in domestic service they were, however, far outnumbered by Dutch-born workers.

Although definitely not all German migrants lived concentrated in one area, pockets of spatial concentration can be distinguished. In the sources there is, however, no evidence of immigrant entrepreneurship within an enclave economy. Migrants seem to have catered for the society at large, and not for their own community. There were, in the city centre, some German publicans. One of the pubs was called *Bierhalle*, while another advertised the sale of *Bayerisch Bier*. It is not clear whether these entrepreneurs catered for their co-ethnics, or for the town's students. In Amsterdam in earlier centuries, Germans had found a strong niche as bakers (Knotter and van Zanden 1987). In Utrecht, there is no evidence of niche formation in this sector.

According to theory, as described above, the availability of illegal immigrants can start or strengthen niche formation. But in the nineteenth century there was no illegal immigration. Migrants were free to work and settle in the Netherlands as long as they could support themselves and did not cause a public nuisance. People without means (or suspected to be without means) could be denied access. The closest we can get to illegality is prostitution. In the nineteenth century, prostitution was not forbidden in the Netherlands. It was regulated by the municipal authorities in the hope of stopping the spread of venereal diseases amongst soldiers. Prostitutes were registered and submitted to weekly examinations.

Prostitution was officially no grounds for eviction from the Netherlands, although different municipal authorities did not agree on this point. Municipal authorities in The Hague, as a rule, escorted foreign prostitutes across the border, whereas in Amsterdam and Rotterdam they were allowed to stay. In The Hague, authorities argued that vice could not be considered a proper source of income, hence prostitutes did not have an income, and could be expelled. If a prostitute contracted syphilis, and most did, she was no longer allowed to work. As a result she did not have an income, and could be evicted.

In Rotterdam, in the second half of the nineteenth century, there were

complaints about an increasing presence of German women amongst the prostitutes (Manneke 1998). Of the German women who arrived in Rotterdam at that time and gave a profession, one in five stated being a prostitute. From this figure it cannot, however, be deduced how large the number of German prostitutes in Rotterdam really was. Prostitutes showed a high geographical mobility; much higher than other young female migrants. Groups of prostitutes tended to move together from one town to the next, probably from one brothel to another. Since prostitutes in general travelled around a lot they appeared (and reappeared) in the registration lists frequently.

In Utrecht, the birthplace is known of about two-thirds of the prostitutes (Sterk 1983). Of these prostitutes 11 per cent were born outside the Netherlands; half of these in German regions, the rest in France and Belgium. Although the percentage of foreign prostitutes is larger than the percentage of foreigners in the population at large, prostitution was by no means a German niche, nor an immigrant niche.

Conclusions

Niche formation was a common phenomenon related to migration in the nineteenth-century Netherlands, but the basis of the niche formation could differ. In the case of the Westerwalders it was a regionally-based special product. Traders from this region had a trading advantage in the form of favourable conditions and credit, and they capitalised on the trust that was crucial in this long-distance trade. The shopkeepers profited from the availability of cheap labour. This niche, however, primarily developed because the high turnover of shop assistants within the sector generated sector-specific human capital. Through this the cohesion of the niche was enforced, and ideas and information about the organisation of the sector were distributed. The file-makers used high requirements on skill to shield off their sector. They could do so because in their region of origin file-making was severely regulated. Failure of the industry to mechanise meant that this structure of the sector could be maintained and transferred. In the case of the stucco-workers the niche rested on requirements on skill combined with both the seasonality and the irregularity of the work. Contacts were needed to respond adequately to peaks in demand.

By no means did all German migrant activity lead to niche formation. Outside the niches, German migrants were active in a great variety of occupations. In some sectors there was a noticeable German presence, but this did not lead to niche formation. Either the basis of the niche fell away at an early stage, or there was too much competition from non-Germans. Catering to co-ethnics and entrepreneurship within the enclave appears not to have played a role. The same is true for semi-illegality. Not all regional specialisation led to niche formation.

In all cases described, changes in demand were important to niche formation. Demand was, however, also partly generated by the niche itself. Niches collapsed when the demand was reduced. The niche continued to exist as long as it was profitable, and then disappeared. Niches that could accommodate both men and women showed a greater persistence and coherence than other niches.

In Figure 2 the factors that were summarised in Figure 1 are related to the four groups which I have concentrated on in this paper. Illegality of the workers and possibilities for enclave business activities, both of which rank high as explaining factors in the literature, were not important in the cases presented here.

	Stoneware traders	Shopkeepers	File-makers	Stucco- workers
Demand for: <ul style="list-style-type: none">▪ a special skill▪ a specialised product▪ cheap labour▪ seasonal labour▪ flexible labour	<ul style="list-style-type: none">-+---	<ul style="list-style-type: none">--+--	<ul style="list-style-type: none">+----	<ul style="list-style-type: none">+--++
Possibility to/for: <ul style="list-style-type: none">▪ enclave business activities▪ employment within the niche for men and women▪ transfer of an inheritable economic base▪ closure of the niche▪ generating sector-specific human capital	<ul style="list-style-type: none">-+--+	<ul style="list-style-type: none">-+--+	<ul style="list-style-type: none">--++-	<ul style="list-style-type: none">---+-
Enforced by: <ul style="list-style-type: none">▪ government policy▪ lack of work options outside the niche▪ availability of illegal workers▪ absence of technological change▪ association of group with skill or product▪ nature of migration process	<ul style="list-style-type: none">----++	<ul style="list-style-type: none">-----+	<ul style="list-style-type: none">---+++	<ul style="list-style-type: none">----++

Figure 2. *Factors influencing niche formation applied to the four groups studied*

Characteristics of the niche, for instance possibilities to shield it off or the absence of technological change, were much more relevant. Demand, either for a skill, a specialised regionally-based product, or cheap, seasonal and flexible labour, was important in all cases. Demand is the factor with most explanatory power. This statement, however, has to be differentiated. Indeed demand may encourage niche formation, but it is not a necessary nor a sufficient condition. Niches only develop on this condition if the demand is large in scale and continuous. Short-lived or small-scale demand (for skill, product or a specific type of labour) does not lead to niche formation. Here a link can be made to the nature of the migration process. The niche is enforced by the arrival of new immigrants from the same background (irrespective of whether this migration is seasonal or not). As long as the niche is able to accommodate these newcomers, the niche and the group involved in it will continue to exist and grow. If

migration stops, because demand disappears or opportunities in the sending society change, the niche will disappear or will be diluted until it is no longer recognisable.

The development of niches not only depends on large scale and sustained demand. It is important also that the development of niches is gradual. Only at a certain point, after an initial phase, does immigrant activity in a sector develop into niche formation. At this point people from the sending society start to move towards the niche, thus shaping both the niche and the group involved in it. This means the group involved in the niche does not exist as such prior to migration. Group formation and niche formation are interrelated processes.

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