

# Chapter 6

## Potential and Pitfalls of Ethnic Marketing in Financial Services in Belgium: An Interdisciplinary Research Agenda

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### ABSTRACT

*Access to financial services constitutes an important prerequisite for participation in increasingly financialized societies and economies; however, financial exclusion remains commonplace among socio-economically weaker groups. In this chapter, the authors examine the role financial institutions could play in bridging such socio-ethnic divides in the context of Brussels as a commercial opportunity arises for institutions that are willing and able to cater, for instance through Islamic modes of finance, to relatively underserved Muslim communities. The chapter integrates and mirrors ethnic marketing literature and recent debates in geography about financial inclusion to discuss the obvious tensions that further financialization of economically weaker and culturally marginalized groups in society brings along. Doing so, the authors identify key societal trends at the interface of ethnic marketing and the propagation of “alternative” forms of finance and conclude with suggestions for an interdisciplinary research agenda.*

### INTRODUCTION

Due to ongoing globalization processes, leading to increased mobility and migration, many Western-European societies have become increasingly diverse. In Belgium increased ethnic diversity is a consequence of earlier migration rounds of guest

workers during the post-War Fordist-Keynesian era. The last decades this has been reflected in Belgian population figures with a steady increase of foreign nationalities encompassing a rise from 880,812 (9%) in January 1990 up to 1,195,122 foreigners (10,8%) in January 2013. Like in other capitals and metropolitan areas throughout Europe,

DOI: 10.4018/978-1-4666-7492-9.ch006

concentrations of foreign nationalities particularly occur in urban areas: no less than 33,1% of the population of the capital region of Brussels has a foreign nationality (Belgian Federal Government, January 2013). This growing heterogeneity manifests itself in many domains of daily life, ranging from law, social services, tourism and health care and encompasses both opportunities and challenges.

For states and their governments and public institutions, an increasingly diverse society calls for apt integration policies as well as aligned communication strategies to enhance participation of all citizens. Hence, the way ethnic diversity in societies is framed is intertwined with the overall political agenda as well as shifts in immigration and integration policies (e.g., Lewis & Neal, 2005). These range from multiculturalism with an emphasis on equal opportunities and cultural diversity to monoculturalism building on either assimilationist or nationalistic sentiments, both harvesting divergent outcomes (e.g., Castels, 2004). In addition, it must be noted that new patterns of super-diversity pose significant challenges for both policy and research (Vertovec, 2007). Moreover, the notion of a spatially coinciding territory, nation and (ethnic) identity is being fundamentally challenged (Appadurai, 1996). This frustrates monocultural identities -be it secular or other- as the basis for the nation. The disconnection is even more obvious at the level of cities, where nation-building always appears artificial as opposed to the often multicultural life-world of metropolitan inhabitants.

From a business perspective, diversity manifests itself within the client base as well as human resources and the workforce. Although business organization textbooks (like Cox, 1996) often point at the benefits of diversity, such as increased creativity and problem-solving skills (e.g., McLeod, Lobel, & Cox, 1996) and team performance at the work floor (Ely & Thomas, 2001), these benefits are often overshadowed by the potential threats to commercial strategies. As a result, we rapidly end

up with claims that some market segments cannot be accessed because of the “cultural indoctrination” of the underlying populace (a tendency that will be more likely in market-based economies) or that this is a risky undertaking due to a possible loss of mainstream customers when reaching out to minorities.

Being unsatisfied with such sort of economic explanations, this chapter aims to place the debate around ethnic marketing in the context of how ethnic and non-ethnic (e.g. religious) identity is or can be socially constructed by a stronger involvement in the development or “co-production” and marketing of “ethnic products”. Diverse urban areas are particularly interesting starting points for practitioners as most urbanites experience intercultural contacts on a daily base. Due to continuous encounters with various cultural dispositions new world views are shaped and consumer behaviors are constructed in alliance with emerging multiple identities. Cities are therefore highly relevant interdisciplinary research scales for scholars in human geography, sociology, media studies, linguistics, social and (cross-)cultural psychology, economy and so on. It is against this canvas of intertwined socio-cultural relationships, we propose a tentative research agenda that departs from the consumer perspective by examining how access to certain elementary products or services and subsequent consumer practices can be a crucial step towards minority identity formation and serve as a stepping-stone towards social and economic participation in society at large.

The current debate around the introduction of “Islamic” interest-free financial products in Belgium will serve as the material basis for our discussion. Arguably, one of the elementary services enabling participation is access to banking and finance facilities: labor market access requires a bank account, while housing market access and business start-ups depend on affordable credit access and therefore a (reliable) credit history. Importantly, a growing trend in the Muslim World is to consider Shari’a-compliant financial services as the cornerstone of Muslim iden-

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