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**Supporting entrepreneurship in an urban neighborhood
context: A review of German experiences**

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1. Entrepreneurship policies and urban renewal

A neighbourhood can be seen as an open socio-economic system which is embedded in superjacent urban structures. Its development depends upon the interaction of decision makers like households, businesses and the government (Galster, 2001; Webster, 2003). In recent years entrepreneurship in (deprived) urban neighbourhoods, has drawn a growing attention of the research community as well as of the urban planners and politicians (Dupuis et al. 2003, Berg et al. 2004, Mollenhorst et al. 2009).

On the one hand, interdisciplinary entrepreneurship research is increasingly focussing on the manifold and intertwined contexts of entrepreneurial activities, such as the background and experiences of the enterprising individual, social networks, particular socio-spatial contexts or the societal (or cultural) context (cf. Kloosterman et al. 1999, Jack / Anderson 2002, Davidsson 2003).

On the other hand, the decision-makers in urban development, planning and administration have increasingly adopted entrepreneurship support as a central means to foster economic revival in deprived localities, such as (i) urban neighbourhoods in old industrialized regions or (ii) an urban locality with unfavourable demographic and socio-economic structures located within an overall prosperous urban agglomeration (ILS 2000, Meegan / Mitchell 2001). However, practical experience shows that the efforts to economic renewal of deprived urban neighbourhoods through fostering entrepreneurship deserves a long time and faces serious obstacles. Among them are (i) a lack of entrepreneurial skills, experiences and role models of successful entrepreneurs, (ii) a lack of social capital, (iii) a strong tendency of new venture formation in business fields, where low entry thresholds and low opportunities for growth, but high competition go hand in hand, and (iv) small savings and declining purchase power of customers in the locality (cf. Curran / Blackburn 1994, Storey 1994, Berg et al 2004).

Without any doubt such unfavourable business environments hardly permit the rapid development of a larger stock of new high-potential ventures, which are essential to the process of socio-economic recovery and development of urban neighbourhoods. Therefore, any kind of overhasty assessment of policy approaches ought to be avoided. Nevertheless, entrepreneurship research should critically ask, whether and how the knowledge about mixed embeddedness of entrepreneurial activities is considered by decision-makers in planning, administration and politics.

Many of the policy approaches applied in neighbourhood-oriented economic development were adopted from regional policy (e.g. cluster management). On a regional level, evidence of the effectiveness of such policy, e.g. on R&D performance, has been provided by empirical research (Czarnitzki et al. 2007). It is, however, still difficult to assess whether the neighbourhood functions as an appropriate spatial entity for these policy measures.

Therefore, this paper aims at reviewing policy approaches which were recently adopted in different German cities. We analyze policy measures taking into account the following criteria:

- What was the rationale behind the efforts to support entrepreneurial activities in particular neighbourhood contexts?
- What is so far the (measurable) outcome of the reviewed policy approaches?
- By which stakeholders and in which way is the everydayness of entrepreneurship activities addressed in the process of policy adoption?
- How should strategies and measures be designed which also consider the manifold embeddedness of entrepreneurship in neighbourhoods?

Our paper aims at contributing to the discussion on how to foster socio-economic structures through means of entrepreneurship support in urban neighbourhoods with its particular contexts. We compare different approaches and discuss the consideration of intertwined contexts of entrepreneurship as a relevant success factor of support policies. Our central focus is, whether (i) entrepreneurship and its support is first and foremost seen as a topic related to economic life or (ii) as a matter of everyday activities within a particular socio-spatial constellation (cf. Steyaert / Katz 2004: 180-181).

Our paper is divided in five parts. This introduction is followed by a discussion of conceptual anchor points, while the study design is described in the third part. In section 4 we discuss background and policy approach of two different programmes which aim at improving urban structures as well as economic life in selected (deprived) neighbourhoods of large German cities. We further analyze the programmes based on 6 example neighbourhoods with respect to our research questions. The discussion of our findings takes place in section 5 while the paper ends with conclusions in section 6.

2. Conceptual anchor points

2.1 The multifaceted context of entrepreneurship

The call for considering context in entrepreneurship research is not new; and there is growing recognition that economic behaviour can be better understood within its context(s) (Low & MacMillan, 1988, Zahra 2007). In management research, the term refers to circumstances, conditions, situations or environments which are external to the respective phenomenon and enable or constrain it (Cappelli / Sherer 1991, Mowday / Sutton 1993). Johns (2006, p. 386) takes this a step further and understands context as situational opportunities and constraints which affect behaviour. Thus, context simultaneously provides individuals with entrepreneurial opportunities and sets boundaries for their actions; in other words, individuals may experience it as asset and liability (Welter & Smallbone, 2008). Further, context is a multiplex phenomenon, which cuts across levels of analysis and influences entrepreneurship directly or indirectly, but which also is influenced by entrepreneurial activities.

This paper takes into account the omnibus dimensions of context, i.e. a broad perspective, in contrast to discrete context which refers to specific contextual variables (Johns, 2006). The omnibus perspective draws attention to the diversity and manifold facets of context by asking who, what, when, where, and why (Johns 2006, Whetten 1989). In defining context for entrepreneurship research, the “when” and “where” dimensions are of particular interest. “Who” does not refer to contexts as such but rather reflects the impact of contexts on entrepreneurship. From a contextual perspective, this points to who enters entrepreneurship and which ventures are created. The “when” perspective draws attention to temporal and historical contexts, by referring to historical influences on the nature and extent of today’s entrepreneurship and changes in the respective omnibus contexts over time.

“Where” refers to the manifold locations in which entrepreneurship happens, all of which have an impact on “who”. The “where” dimension can be further distinguished according to its main type, i.e. business, social, spatial or institutional context. It includes both distal contexts, for example, countries, political systems or society, as well as more proximate contexts (Mowday/Sutton, 1993) such as the social environment or the neighbourhood of entrepreneurs at the local geographical scale (Table 1).

The notion of “scale”, as a key concept of geography, has been subject to an intense discourse in human geography over two decades (Marston 2000). To our understanding this discourse can provide further input on the discussion of context in entrepreneurship and in particular on its spatial dimension.

Scale can be typically seen in one of two ways: either as a way of framing the understanding of a phenomenon or as a material object which actually exists, resulting from political, social and economic processes (Herod 2003, 229). The recent discussion on globalization and “glocalization” has drawn attention to the relations between and interactions of and across different geographic scales (Swyngedouw 1997a, 170). Scales can be viewed “...as tightly intertwined territorial-organizational arrangements that serve as ‘transmission devices’ between concrete forms of social action, national political-regulatory systems and the global space of abstract labour and the world market.” (Brenner 1998, p. 464 with reference to Harvey 1982). Moreover, geographic scales are an “outcome of social struggle for power and control ... perpetually redefined, contested, and restructured in terms of their extent, content, relative importance, and interrelations.” (Swyngedouw 1997b, 140-141), which draws attention to the political and simultaneously spatial embeddedness of entrepreneurship.

Table 1: Classifying ‘where’ contexts for entrepreneurship

Dimensions		Omnibus	Discrete (examples)
Type of context			
Business	Industry		stage of life-cycles of industries and markets,
	market		number and nature of competitors
Social	networks		structure, density, frequency of relations
	household and family		composition and roles of household / family
Spatial	geographical environments, e.g., countries,		characteristics of physical business location
	communities and neighbourhoods; industrial		business support infrastructure
	districts and clusters		characteristics of local communities and regions
Institutional	culture and society		societal attitudes and norms
	political and economic system		legal and regulatory regulations
			policy and support measures

Own design.

2.2 The everydayness of entrepreneurship in the neighbourhood context

The combined view on the multifaceted embeddedness of entrepreneurial activities very often discloses strong linkages with their immediate socio-spatial environment, i.e. the neighbourhood. Neighbourhood is a social and spatial phenomenon. It can be defined as a bundle of spatially based attributes associated with clusters of residences and other land uses (building structures, demography, public services, social and economical interactions). It is an open system – comparatively small in physical size – which is embedded in superjacent urban structures and faces continuous changes due to an ongoing flow of resources. The amount and direction of these flows depend upon continuous governance processes, i.e. the interaction of decision makers like households, entrepreneurs and

businesses owners, owners of property and the representatives members of certain (semi-) public authorities which operate at and across different geographic scales (Galster 2001, Webster 2003, Knapp/Schmitt 2003, Moulaert/Nussbaumer 2005). Further, neighbourhoods are not alone statically bounded by administrative borderlines rather by cognitive and culture-based rules and shared meanings (Thornton / Flynn 2003). Nevertheless, administrative and political structures of a territory play an important role in the process of defining boundaries of a neighbourhood.

With regard to the economic activities at the local scale Steyart and Katz (2004) point out that entrepreneurship appears as an everyday collective activity which encompasses the participation of all kinds of citizens in a neighbourhood, e.g. members of the entrepreneur household, family, friends circle and neighbours, local business partners, organisations of different kind as well as decision-makers in administration and politics. In the course of their everyday interaction they shape and change continuously the context of economic activities, thereby addressing the local scale as well as superjacent geographic scales. Furthermore, entrepreneurship is also a determinant of the development of societal structures, thus influencing the gradual change of routines, norms and behavioural pattern (cf. Johannisson 1990, 1998, Malecki 2009).

Since local cultures, social structures and the style of everydayness of entrepreneurship differ in time and space entrepreneurship is not the same at any time and everywhere. Instead it depends very much in shape and extent on the character of particular local milieu at a certain point of time (Malecki 1997a: 138). Therefore, numerous studies on entrepreneurship at the local scale move away from the enterprising individual. Instead entrepreneurship is seen as a collective event in a particular spatial context, and some authors go beyond local boundaries by identifying regional authorities or national governments as actors in this regard (e.g. Dupuis & de Bruin, 2003).

Moreover, research work on entrepreneurship in a local context often highlights social commitment, non-profit goals and benefits for the neighbourhood as (additional) drivers for entrepreneurship besides calculated and self-interested individual behaviour. The latter might benefit the communities through job creation, but without this being the main objective (at least in most businesses). In this regard, entrepreneurship is the leverage for social change as illustrated by Johnstone and Lionais (2004) for businesses which are strongly embedded in a neighbourhood. It fosters economic and social development in “depleted” communities. This draws attention to the societal context for entrepreneurship, thus linking spatial and institutional contexts at the local scale. For example, studies which research entrepreneurship in neighbourhoods contribute an explicitly socio-cultural perspective which is important in contextualising entrepreneurship, as it highlights power implications the spatial and social contexts may have for entrepreneurship (Anderson, 2000, p. 93): “The geographical distribution of society in space creates an unevenness of power.”

All these approaches see entrepreneurship as happening in intertwined social, societal and geographical contexts, thus indicating the difficulties in developing a clear-cut distinction between those contexts as outlined in Table 1. Wigren (2003) illustrates this for an industrial district in Sweden (Gnosjö), where business, social and spatial spheres are heavily intertwined, which fosters the development of a particular local identity, often referred to as the “spirit of Gnosjö”. Frederking (2004) analyses two communities (Punjabi and Gujarati) in three neighbourhoods (two in London, one in Chicago) across two national contexts. The author demonstrates the links between location, ethnic culture and the country framework, showing how the socio-spatial context can either be a liability, an asset or, as in the case of Chicago, irrelevant. By “going beyond geography” (Thornton & Flint, 1999, p. 422), these studies bridge the social, spatial and institutional contexts for entrepreneurial activities.

Finally we like to note, that the spatial context - together with the social context - can have contradictory effects on entrepreneurship, although there is a tendency in entrepreneurship research to focus on the positive effects. On the one hand, spatial proximity facilitates the emergence of social networks. On the other hand, spatial proximity also can contribute to “over-embeddedness”, signalling a dark side of this context for entrepreneurship (cf. Grabher 1993). The reasons for this are manifold: embedded ties could be used increasingly as control mechanisms; links between social and spatial contexts which result in socio-spatial embeddedness and contribute to trust in a neighbourhood, can also result in “closed” local networks, and close ties may become “a stumbling block” (Johannisson & Wigren, 2006, p. 200) for neighbourhoods wishing to promote social change.

2.3 Fostering social capital formation and entrepreneurship in the neighbourhood context

In highly industrialized countries many inner city areas are affected adversely by deindustrialization and suburbanization of population and industry. The growing persistence of geographical concentrations of blight phenomena, long-term unemployment, declining income and purchasing power, out-migration, and related changes of demographic and socioeconomic structures are among the negative effects of current urban dynamics and may cause a continuing deterioration of location factors in certain districts (Glennester et al., 1999). For this reason, (distressed) urban districts have been considered as one of the targets of public intervention in a range of European countries since the 1990s (ILS 2000, Meegan & Mitchel 2001).

SME research and practical experience show that the effort to economic renewal in deprived urban districts through fostering entrepreneurship faces several obstacles (Curran & Blackburn 1994; Storey 1994; Berg et al. 2004):

- small savings and the declining purchase power of consumers in these localities,
- a lack of entrepreneurial skills, entrepreneurial experiences and role models of successful entrepreneurs,
- a lack of appropriate working space and meeting points in the locality, an often distant location from the city centre and an unattractive ambiance of the area,
- a strong tendency of small business formation in business fields, where low entry thresholds and low opportunities for growth, but high competition go hand in hand, resulting in less sustainable business models (e.g. household services, retail trade, catering),
- a lack of social capital, both due to the absence of network organisations and the individuals’ lack of resources - time and money - to engage themselves in networks.

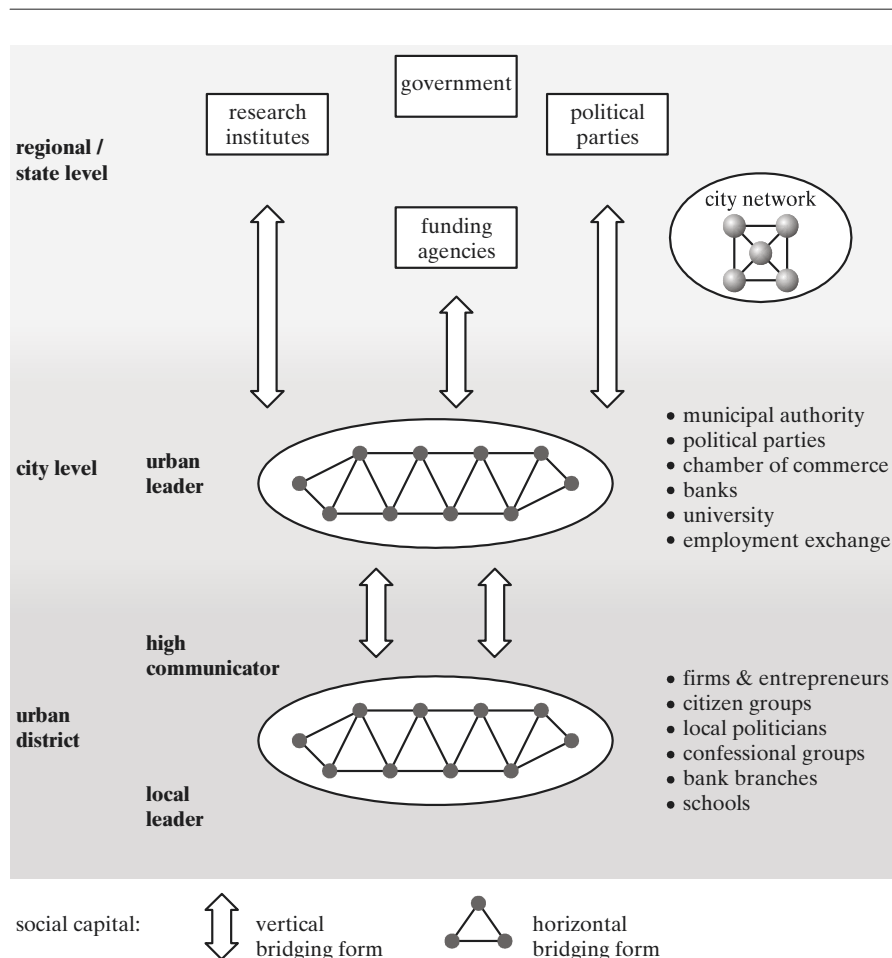
In many neighbourhood renewal schemes, therefore, fostering local entrepreneurship may simply not be a viable strategy. However, if it is found that this strategy is likely to succeed despite particularly adverse basic conditions, one of the starting points may comprise collaborative initiatives for social capital formation, which incorporate local authorities, the local business community and residents (Purdue 2001).

With respect to social capital we can distinguish between bonding and bridging forms, with the former referring mainly to relationships between homogeneous groups, the latter to relations between socially heterogeneous groups (Adler & Kwon, 2002; Putnam, 2000). In a geographical context, bonding social capital could occur in associations of entrepreneurs, while bridging forms link entrepreneurs, business organizations and local authorities horizontally at the local scale and vertically across different scales.

On the one hand neighbourhood policies can support the development of bridging forms of social capital, i.e. by providing support to community groups, giving them a role in local policy and planning processes and boosting the local identity (Forrest & Kearnes 2005). On the other hand the formation of the bonding form of social capital is considered to be another factor of successful neighbourhood renewal. It helps to claim interests of the local (business) community against urban authorities and influential decision-makers and social groups (Middleton et al. 2005).

The successful formation of both forms of social capital is linked to the existence of local leaders who act as key points of contact between (semi-)public renewal initiatives, local residents and business people (Koch et al. 2003). Those studies which are related to the concept of the creative milieu consider such individuals as so-called high communicators, who play an important role for network development. High communicators are individuals at the decision making level in several (semi-) public and private organizations. They transmit information, speed up decision-making, and foster inter-organizational linkages (Fromhold-Eisebith 1995). These key individuals contribute to the development of “institutional thickness” by bringing in local knowledge and the ability to access and link local capacity at different levels (Malecki 1997b; figure 1).

Figure 1: Network promoter linking activities at and across different geographical scales



Source: Welter et al. 2008

The competent and accountable engagement of a leader in local initiatives helps to develop trust towards local residents and entrepreneurs. This again strengthens their position as outside

representative of the neighbourhood (Purdue 2001). Thus, key individuals are persons who are familiar with the present context of economic development in their particular locality since they understand its previous development through their own involvement. Therefore, they are able to shape to some extent the context for economic activities in future at the local and at superjacent scales by their own activities (cf. Bathelt /Glückler 2003, pp. 128-129).

Additionally, the establishment of business advisory service in a neighbourhood can be a suitable starting point to foster social capital formation at the local scale (Krätke 1995, 2001). Ideally its implementation should be evidence-based, for example, as outcome of a survey on local needs, jointly conducted by responsible authorities and representatives of the local business community (Hall & Hickmann, 2002). With the help of local business advisors (nascent) entrepreneurs can gain access to individual information and counseling or find a platform to meet with each other, with already established business owners and representatives of the administration to discuss the local circumstances of entrepreneurial activities (Schmude 2001, Tamasy, 2005). Moreover, entrepreneurs can also be enabled to join existing support schemes and business networks at the city, regional and national level (Läpple 2000).

Whether such entrepreneurial support activities at the lower geographical scales – provided they are successful – effectively counteract the blight phenomena caused by macro level factors, remains an open question and challenge for future research (IfS 2004). However, with this paper we try to identify whether and how one important precondition – the consideration of particular contexts of entrepreneurship in a neighbourhood – can be fulfilled by decision makers at the interface of urban renewal and economic development at the local scale.

3. Study design

3.1. Study areas

Empirically the paper is based on two empirical studies aimed at evaluating public programmes at the interface of urban restructuring and economic development. In this paper we discuss the policy approaches in six neighbourhoods of six different German cities. Three neighbourhoods received support by the “Socially Integrative City” programme (SIC) of North Rhine-Westphalia (NRW) during the period from 1993 til 2005, namely Essen-Katernberg, Gelsenkirchen-Bismarck and Wuppertal-Ostersbaum (figure 2; cf. Neumann et al. 2010). The other three neighbourhoods are located outside of NRW. During a study period from 2006 to 2009 they were supported in the context of a specifically-designed research field within the Experimental Housing and Urban Development (ExWoSt) programme of the federal government in Germany. As part of the “Neighbourhood Impulses” research field, out of a total of five model areas, three neighbourhoods are in the focus here. They are located in Bayreuth (St.Georgen/Insel), Hanover (Hainholz) and Karlsruhe (Mühlburg)¹ (figure 2; cf. BMVBS 2010, Geißler et al. 2007, 2010). In addition, the model areas of the ExWoSt study were also part of the German-wide Socially Integrative City programme. However, until the end of the study period, the SIC programme in these areas did not incorporate measures of local economic development. Instead the SIC programme concentrated mainly on urban renewal and social policy measures in these neighbourhoods.

¹ Further model areas of the ExWoSt study, which are not in the focus here, were located in Braunschweig and Saarbrücken, further programme areas of the SIC case study in Dusseldorf and Duisburg (cf. Neumann et al. 2010)

Figure 2: Selected German neighbourhoods taking part in the SIC NRW- and ExWoSt programmes



The figures are related to the following years: Bayreuth – 2005 / 2004, Essen – 2002 / 2000, Gelsenkirchen – 2002 / 2000, Hanover – 2005, Karlsruhe – 2006, Wuppertal – 2002 / 2004.

Sources: Project data banks of SIC and ExWoSt – programmes, Statistical offices of the cities. In Bayreuth, the unemployment rate of the “Insel” neighbourhood was estimated by local and state authorities (cf. Oberste Baubehörde im Bayerischen Staatsministerium des Innern). Own depiction.

Figure 2 shows that the neighbourhoods differ remarkably with respect to size. While Gelsenkirchen-Bismarck with its 18,500 inhabitants hosts 6,6% of the city's total population, the immediate vicinity of the model area ("Insel", about 1000 inhabitants) in Bayreuth holds a share of just over 1 % of the total population of the city². Measured in terms of unemployment, the programme areas all represent areas with a relatively high concentration of deprivation among the resident population, in comparison with overall levels of the respective cities. In some cases, these neighbourhoods are also characterised by a very high percentage of citizens with a migration background.

3.2. Empirical work

Methodologically, our **study on the SIC- programme** employs a multidimensional and multi-level approach. It combines qualitative elements (document analysis, 45 in-depth interviews with policy makers, public officers, entrepreneurs and network promoters) with a standardised questionnaire among entrepreneurs and the mapping of land use. The personal interviews were conducted from May 2005 to June 2006. We surveyed entrepreneurs and nascent entrepreneurs from four network organisations; two organisations are located in Essen-Katernberg, one in Gelsenkirchen-Bismarck and one in Wuppertal-Ostersbaum.

The questionnaire survey was conducted in Gelsenkirchen and Essen from November 2005 to January 2006. The response rate ranged between 13 out of 103 in Gelsenkirchen and 30 out of 105 in Essen. The present land use was mapped by a geographer in the neighbourhood Wuppertal-Ostersbaum and the results were compared with older documents on land use and vacant business space. In addition to this types of empirical work, administrative data was examined in order to gain information on the probable effects of the combined economic and urban renewal initiatives on the local project areas.

The case **studies on the ExWoSt programme** employed also a multidimensional and multi-level approach. Standardised questionnaire surveys among entrepreneurs in the model and reference areas³ of each city were combined with qualitative approaches, such as in-depth interviews, group discussions and participation in network meetings throughout implementation of the experimental model projects in the period from 2006-2009. In this way over 40 personal visits in the three neighbourhoods were conducted by the project team commissioned by the Federal Institute for Research on Building, Urban Affairs and Spatial Development (BBSR) during the study period (BMVBS (ed.) 2010).

In this study, standardised questionnaire surveys were carried out at two points in time. The first survey took place in Spring 2007, i.e. shortly after the beginning of the programme implementation phase. The second "wave" was conducted in the Summer and Autumn of 2008, i.e. at the end of the model phase. In 2007 1602 enterprises were contacted (689 in the model- and 913 in the reference areas), of which 207 took part (101 in the model- and 106 in the reference areas). In 2008 (after correction of the address lists) 1493 enterprises were contacted (602 in the model- and 891 in the reference areas), of which 148 took part (67 in model- and 81 in reference areas).

² However, the total statistical district, in which the model area is located, comprises 8,866 inhabitants, i.e. 12% of the Bayreuth population in 2005.

³ The reference areas were either directly adjacent to the model areas (Bayreuth, Hanover) or located in another part of the city, but fulfilling a similar function among the intra-city neighbourhood centres (Karlsruhe).

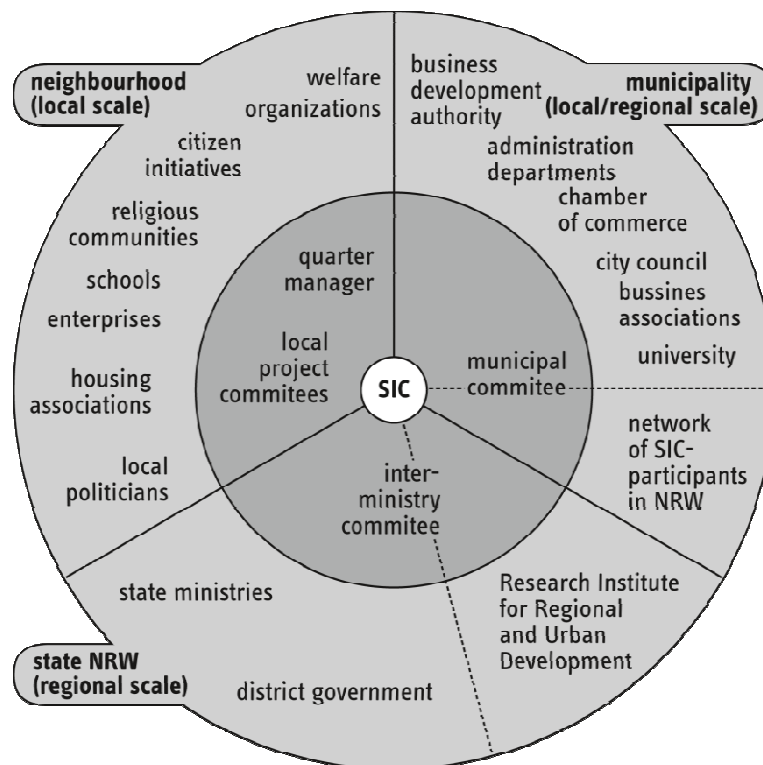
4. German policies to foster entrepreneurship in neighbourhoods

4.1 The rationale of policy approaches

In this section we aim at sketching out the rationale behind the analyzed public programmes to support entrepreneurial activities in particular neighbourhood contexts. The first **programme “Socially Integrative City” (SIC)** was developed in the German state of North Rhine –Westphalia (NRW). It is addressing cities and neighbourhoods therein which could not cope successfully with the process of socio-economic transition due to the downturn of the traditional industries like coal mining, steel production, metal processing or textile production which started in the 1960s. In particular large areas in the Ruhr region were characterized by an immense industrial, commercial and overall urban blight, latest since the early 1990s.

The SIC programme aims at counteracting against these trends at the local scale in neighbourhoods through the mobilization of many stakeholders at the local and regional scale (figure 3). Their joint activities will be supported in different fields, such as edificial and environmental improvements, improvement of social infrastructure with emphasis on school children and adolescents, expanding local child care facilities, programmes focussing on ethnic minorities, creation of (temporary) employment through public labour programmes and last but not least fostering small businesses and in particular new ventures. The SIC programme in each city aims at combining certain single activities in different fields of action, for example by supporting entrepreneurs in setting up their businesses and placing orders related to the development of other projects in a programme area. (cf. Neumann et al. 2010)

Figure 3: Governance structure of the Socially Integrative City (SIC)-programme



Source: www.soziale-stadt.nrw.de.

Since the initiation in 1993 the SIC programme has covered more than 35 quarters (neighbourhoods, programme areas) in 25 cities of NRW, mainly in the old industrialized Ruhr region. In NRW the main responsibility is head by the state ministry in charge of urban development, which coordinates work in all cities (figure 2). In the municipalities mostly the department in charge of urban planning acts as coordinator in the administration. It organizes the work with the help of a special programme committee. In each programme area, i.e. the selected neighbourhood, a so-called “quarter manager” coordinates the implementation of the programme at the local level. In some quarters the manager is supported by additional staff and organisations respectively, holding the responsibility for particular key activities such as entrepreneurship promotion.

According to the principles of SIC the stakeholders at the neighbourhood and municipal level will decide together what kind of problems ought to be tackled first and in which way. Under the guidance of the quarter managers these actors develop an integrated action plan, in which local economic development may be one field of action. According to this plan – grown from bottom up – funds will be provided for its realization. Hence, if local business owners and entrepreneurs jointly with their representatives from business associations and chambers of commerce place their ideas on local economic development with success in the local discourse, it can be expected that supporting entrepreneurship will gain a prominent position in the context of urban renewal in a particular neighbourhood.

With respect to financing the key mode of the SIC is to allocate funds from different already existing state programmes in a coordinated manner for the different local activities. In contrast to normal applicants the applications from the SIC programme areas will be twice-preferred by the state government, namely by (i) favoured handling in the administration and (ii) receiving a surcharge of 10% on regular funding in certain programme fields. With a (smaller) separate fund the state government provides part of the overall grant for measures supporting local citizens’ engagement. An elected citizen committee decides about its usage for local activities, such as public relations or the work of volunteer citizen groups. Quite often engaged local business initiatives participate from this fund. Table 2 provides an overview with respect to the total amount spent in the programme and the share for activities on local economic development therein.

Table 2: Funds for the SIC programme in three neighbourhoods of the federal state North Rhine - Westphalia

Neighbourhood	period	Funds for all SIC activities (in 1000 €)	Funds for supporting the local economy	
			abs. (in 1,000 €).	share in %
Essen-Katernberg*	1989 -2004	43.500	9.300	21,4
Gelsenkirchen-Bismarck	1994-2005	60.260	550	0,9
W-Ostersbaum	1997-2005	10.360	3.460	33,4

Sources: Own survey and project data bank of the SIC programme. *The SIC programme of Essen-Katernberg tied in with previous redevelopment programmes, e.g. Urban Development Grants and Structural Funds

A much more focussed approach was followed by the research field **“Neighbourhood impulses - New Ways to Strengthen the Local Economy”**). This timely limited support programme (2006-2009) was embedded in a larger basic research programme on new ways of urban development (Experimental Housing and Urban Development, ExWoSt), which is conducted by the German Federal

Government – Ministry of Urban Affairs and Transport . The main goal of the ExWoSt programme was to design neighbourhood-specific approaches to economic stimulation that could serve as suitable elements of a modern urban development policy. Its central impetus was the “Leipzig Charter for a Sustainable European City” of 2007, which recommends taking measures to boost the local economy. What was special about the field of research “Neighbourhood Impulses” was that an external coaching team of urban planners and scientists advised and supported the participants in selected model projects with the implementation of promotional measures and accomplishment of the promotional objectives. The starting point for the three - year project study consisted of the following key questions:

- What should our expectations be of new approaches for local economic development and what specific measures should be taken?
- What are the basic conditions under which the private sector makes a commitment to neighbourhood development?
- What organisational precautions should be taken and how can regional, urban and local economic development be interconnected?

Bayreuth, Hanover and Karlsruhe are three out of five model cities. In the model projects, selected promotional measures were performed according to two interrelated strategic focuses, the relevance of which for measures of local economic development were studied and tested. The main focus (i) developing/strengthening local networks and small-sized business “clusters” was supplemented by focus (ii) promotion of private-sector commitments (or Corporate Social Responsibility (CSR). Table 3 provides an overview with respect to the allocated resources.

Table 3: Funds for the Neighbourhood Impulses programme in three neighbourhoods 2006 to 2008

Neighbourhood	Fund (in 1,000 €)	Additional input of work days			
		2006	2007	2008	total
Bayreuth-St. Georgen-Insel	109.5	9	50	48	107
Hanover-Hainholz	110	23	58	91	172
Karlsruhe- Mühlberg	70	28	40	40	108

Source: Own survey and BBSR

The model projects concentrated on revitalising neighbourhoods which are located in inner city areas, but in considerable distance to the respective city centres. As explained, these neighbourhoods were also promoted by the “Socially Integrative City” programme (other state specific versions apart from that of NRW), which, however, did not focus on local economic development during the study phase. The measures of all the model projects included developing local networks, which were sometimes tied in with existing initiatives. In model projects that focused on parts of city centres, the main objective was to form common organisations among businesses and real estate owners, who were supposed to make a commitment to certain local profiling objectives, and plan and implement appropriate measures themselves. In the more distantly located neighbourhoods, measures were performed to consult and network small businesses, intensify local information flows, promote start-ups, market urban areas and reduce the number of vacant commercial properties. In all the model projects, people operating small businesses or setting up new firms were motivated to contribute to neighbourhood-specific community projects. For selected project measures, sponsoring and supply of

personnel were obtained from large companies of the model cities (cf. BMVBS, Geißler et al. 2007, 2010).

We can conclude that the ***principal design of both public programmes*** focuses on the comprehensive inclusion of local activists and groups from social movements, politics and business. They are invited to design neighbourhood-specific projects based on public discussion within the localities and receiving advice from selected experts. Thus, the responsible public authorities from the state and municipal governments are more or less obliged to follow the decisions of the communities about concrete ways and means to foster local business and entrepreneurship, provided this aspect is really considered as part of the specific urban renewal agenda of a particular neighbourhood which falls under these programmes. In this context, therefore, policy-makers at the national and regional scale consider the specific spatial contexts of entrepreneurship support - in connection with broader designed schemes for urban regeneration – very closely. It is then up to the stakeholders in the municipalities and their neighbourhoods to continue to keep the place-specific contexts in mind while supporting local economic activities.

4.2 Project aims, measures and its rationale

In this section we ask for the neighbourhood specific aims, measures and their outcome with respect to the support of local economic activities and start-ups in particular. Tables 4.1 and 4.2 contain the relevant information for all the six studied neighbourhoods with its seven project cases (cf. section 3, figure 2).

In all neighbourhoods the support of start-ups was explicitly formulated as an ***aim*** of the promotion programmes. However, there are differences in the intensity of entrepreneurship support. In Gelsenkirchen and Essen the support of young firms is of central importance and related urban renewal activities – like the conversion of derelict mining sites and attached buildings into small business incubator zones – are seen as one mode to achieve this goal. In contrast the stakeholders in the programme neighbourhoods in Bayreuth and Wuppertal focus first and foremost on the reduction of vacant business space in their territories. Here, the support of young firms – belonging to the so-called “creative” industry – is seen as one way to reach this goal. In the programme neighbourhoods of the cities of Karlsruhe and Hanover the stakeholders are in the first instance interested in strengthening local (small) business networks, i.e. the promotion of already existing SMEs and the invitation of potential investors and new firms. However, the support of start-ups was seen as an appropriate way to further strengthening the local business community.

According to the present local economic structure, its development path and the differences in ranking the support of entrepreneurship in the respective neighbourhood projects, we find a wide range of enforced ***measures***. In Wuppertal and Essen (Triple Z-project) old industrial plants were converted into incubator buildings, where office space is provided as well as certain kinds of advisory service and different possibilities for networking amongst start-up owners. In this way attractive floorspace was developed as well as general location factors in the neighbourhood improved.

Also, in Wuppertal and Bayreuth local social initiatives, business and students associations as well as urban planners and the local programme managers focused on the renovation of empty retail space and the exclusive supply to small business owners or start-ups in the context of a “creative atmosphere” in the project neighbourhood, each of them quite near to a university. In this way the existing sources of young and creative entrepreneurs were considered, and new firms from outside invited.

Table 4.1: “Socially Integrative City” programme (SIC) - Profile of three neighbourhoods with four projects

Neighbourhood	Aim	Measure	Rationale of the approach	Stakeholders/Actors	Outcome (gross effect)
1.a Essen – Katernberg Incubator – Project Triple Z	fostering of entrepreneurship in a distressed urban neighbourhood; local „embedding“ of entrepreneurs	revitalisation of existing buildings on an old industrial (coal mine) site and establishment of a small business incubator; encouragement of networking between entrepreneurs and between entrepreneurs and surrounding “local economy”; obligation of entrepreneurs to engage in local CSR-activity	demand for attractive floorspace and consulting and management services for entrepreneurs in the Northern part of Essen; modernisation of local economy by fostering of networks among entrepreneurs and between entrepreneurs and established firms	municipal city development department, economic development and marketing agencies, local trade organisations, network of labour-market-oriented actors in Essen (“Essen Consensus”), local citizens initiative “Katernberg Conference”	establishment of a profitable business incubator comprising 85 firms with 500 employees in 2009; establishment of linkages between entrepreneurs and existing businesses; CSR-activity of entrepreneurs in neighbourhood
1.b Essen – Katernberg Zollverein Tourism - Project	encouragement of (part-time) self-employment in the B & B sector in the vicinity of a UNESCO industrial heritage site	establishment of a local tourist association by local citizens, consulting and training of private B & B providers; booking agency for B & Bs	unused economic potential in tourist sector, emerging in the vicinity of the Zollverein UNESCO cultural heritage site	Local trade organisations, municipal city development department, Essen Tourism Board, local citizens initiative “Katernberg Conference”	generation of a extra income for 50 entrepreneurs in the B & B sector; provision of accomodation for visitors in the Northern part of Essen
2. Wuppertal - Ostersbaum	reduction of retail vacancy, support of small “creative” cluster	support of private investment into revitalisation of an old industrial factory site in order to establish an incubator for small businesses in the cultural/creative sector; refurbishment of vacant shops in combination with training and qualification measures	changes in location factors and demand of commercial space in the retail sector; potential for alternative use by small entrepreneurs from cultural sector	city planning department, charity organisations, owners of vacant shops, investors in factory revitalisation	start-up of ~25 entrepreneurs, mainly from cultural sector, in redeveloped factory site and refurbished shops; establishment of a centre for cultural activity; support of local networks; CSR-activity of entrepreneurs in neighbourhood
3. Gelsenkirchen - Bismarck	fostering of entrepreneurship in a distressed urban neighbourhood; revitalisation of derelict mining site	establishment of a local office for advice and support of entrepreneurs and SME; initiation of a seminar series as platform for start up networking; clearing of derelict site to establish an start up incubator	modernisation of local economy by fostering of networks among entrepreneurs and between entrepreneurs and established firms both from within and outside project area	city planning and economic development departments; private consulting firm responsible for local business office	Advice and support of ~100 (potential) entrepreneurs and 30 realized start-ups but not from the neighbourhood itself; revitalisation of mining site not possible yet due to disagreement of land owners

Own survey.

Table 4.2: “Neighbourhood Impulses” programme - Profile of three neighbourhoods with three projects

Neighbourhood	Aim	Measure	Rationale of the approach	Stakeholders/Actors	Outcome (gross effect)
4. Bayreuth – St Georgen - Insel	reduction of retail vacancy, support of small “creative” cluster	training of entrepreneurs; marketing of vacant shops by publicity event, specific brokering to entrepreneurs from cultural sector; PPP for revitalisation of old industrial site in order to establish a location for events and “creative” entrepreneurs	changes in location factors and demand of commercial space in the retail sector; potential for alternative use by small entrepreneurs from cultural sector	private quarter manager on the authority of municipality, municipal economic development department, association of students with a migrant background, association of voluntary operators of event location, owners of vacant shops	encouragement of local network activity and preparation of a strategic plan “St. Georgen 2020”; reduction of vacancy and start-up of six small businesses; attraction of one medium-sized business; intermediate use of redundant factory site; acquisition of private sponsorship;
5. Karlsruhe - Mühlburg	intensification of local business networks, exploring possibilities to support start ups	encouragement of existing business network to accept new members and to intensify cooperation and “neighbourhood marketing”; development of business linkages between firms of programme area and adjacent Karlsruhe Rhine Ports	modernisation of local economy by supporting a business start-up aiming at providing an internet platform for local businesses and by intensifying local networks	city planning and economic development departments, private consultants on the authority of municipality, local trade organisation	start-up of five entrepreneurs; establishment of internet marketing and network platform; intensification of local networking and „neighbourhood branding“ activity
6. Hanover - Hainholz	establishment of business networks, encouragement of CSR, establishment of small “creative” cluster	establishment of small business network; publishing of “yellow pages” for local area; city marketing events incorporating local artists (“cultural summer”)	stronger identification of local businesses with neighbourhood and improvement of image by encouragement of local artists to participate in local network	city planning and economic development departments, private consultants on the authority of municipality, selected large firms located in programme area	start-up of six entrepreneurs, establishment of local network, local CSR-activity of businesses; participation of artists in „neighbourhood branding“ activity.

Own survey based on BMVBS (ed.) 2010.

In Gelsenkirchen the plan to create incubator space on a former coal mine site could not be realized due to irreconcilable views between the local project board and urban planners on the one side and the land owner (the mining company) on the other hand. Hence, the support activities were restricted to the establishment of a local office where entrepreneurs receive individual counselling and get the chance to participate in seminars and network meetings. The local entrepreneurship centre addressed potential entrepreneurs from the neighbourhood itself as well as from outside.

The second project in Essen also focussed explicitly on advisory service and education of entrepreneurs, but with a focus on using the potentials of new types of urban tourism. In the year 2002, the main estate of the coal mine "Zollverein" became listed by the UNESCO as a world heritage site. Today, the area hosts a museum, a design centre, conference and concert halls, restaurants and the central tourism information centre for the whole Ruhr region. Thus, this location in Essen plays an important role in regional strategies aiming at fostering cultural and industrial heritage tourism. Already in 1997, local citizens set up the local tourism association ("Zollverein Touristik") in order to develop Bed & Breakfast facilities, manage the related booking system and to arrange guided tours. It became known to the SIC programme management and received financial support for a feasibility study and an initial PR campaign.

The public Essen Tourism Board was paid for helping to implement a booking and a quality management system. Within this project, the group of "young entrepreneurs" consists mainly of elderly ladies, often housewives without an academic background. Entrepreneurship support accordingly happens at a very basic level. For example, some programme funds were used to support English language tuition for these entrepreneurs. As a result they can now accommodate international guests, thus broadening their source of income considerably.

In Hanover the measures aimed at the improvement of the neighbourhood's image as an interesting location for artists and all types of businesses which are related to their activities. Therefore cultural festivals were organized, a "yellow pages" – book of the neighbourhood was published and a local business association was founded with the support of the local programme manager and three large industrial companies located adjacent to the neighbourhood. The ultimate goal was to encourage artists and young media firms of the Hanover metropolitan region to settle in the project area, where the developing business networks provide a helpful and creative environment for the service sector.

Similarly in Karlsruhe activities centred around network meetings of the local business community and the development of a concept to explore and establish cooperative business opportunities of local firms with companies in the nearby industrial estate of the Karlsruhe Rhine Ports. Thus, an internet platform was developed which addressed mainly business customers. Another activity was the integration of ethnic entrepreneurs of the neighbourhood into the exiting business community through informal network meetings.

Finally, we conclude that the described aims, measures and underlying rationale were well selected in accordance to the specific circumstances and needs in each locality. Wherever it was possible, constructional renewal of buildings and improvement of technical infrastructure was combined with efforts to support young and small firms. Further, all measures in all neighbourhoods aimed at establishing communication channels and business links across the boundaries of the project areas. The ultimate goal was to improve the social capital of the local business communities and start-ups

4.3 Addressing the everydayness of entrepreneurship through stakeholders and particular key players

One essence of our conceptual review was that support policies address the everydayness of entrepreneurship in a particular local context at its best when (i) certain local stakeholders participate in project design and implementation and, (ii) trustable key individuals are involved in all activities, often as quarter manager or project leader. In order to promote entrepreneurship and SMEs in deprived urban neighbourhoods through the formation of social capital, responsible key individuals need to be experienced and already linked with organizations and interest groups at the local scale as well as on upper geographical scales (cf. figure 1). Thus, they have to be familiar with the context of entrepreneurship in the respective locality, city and region. This is an important precondition to meet the specific needs of young and small businesses through advisory and educational services under public support schemes.

The tables 4.1 and 4.2 contain the relevant information regarding the **stakeholders** which are involved in the support activities in each neighbourhood. In all cases representatives of the municipal administration in charge of urban and economic development were involved into the processes of project design and implementation. In addition business consultants were engaged in 5 out of 6 cities. They operated as programme managers in the neighbourhood or as project managers with a particular focus on the local economy.

As intended by the SIC and ExWoSt programmes in 5 out of 6 cities individual companies and/or local business associations participated intensively in the project work. For example, in Wuppertal the local business association centred on the reconstruction of an old textile factory, which provided workspace for artists, media firms and businesses in the hospitality sector. And in Essen the above mentioned local tourism association became a driving force in entrepreneurship support.

It should be also noted, that corporate social responsibility (CSR) played an important role in Hanover and Essen (incubator project). In both cases the aims were (i) to establish strong social ties between the business community, the inhabitants of the neighbourhood, artists and potential new firms and , (ii) to improve the image of the neighbourhood since it is a very sensitive location factor. Thus, in Hanover selected large companies could be convinced by the project managers to support the small business association of the adjacent neighbourhood in their efforts to conduct city wide marketing events for their locality. This type of CSR aimed to attract existing firms to settle down or to start business in the neighbourhood, preferably in the field of arts, communication, advertisement and related services. In contrast, in the city of Essen the firms of the incubator project support cultural and sport activities in the neighbourhood together with nearby schools. Further, they jointly provide six-months-scholarships, living space and a studio in the incubator for painters and art photographers. In return the sponsored artists use motives of this neighbourhood – adjacent to the old coal mining sites – in their art-work and, thereby, help to change the image of the locality.

Further, citizen groups join the discussion on improving the local economy such as the local “Katernberg Conference” initiative in Essen - with about 300 participants twice in a year – which started in the end of the 1990s. As a result of discussions in these conferences the above- mentioned start-up incubator on the former coal mine Zollverein is now organised as a public company with 41,000 shares; 8,600 of which are held by citizens from the neighbourhood, thus fostering its acceptance in the local area. The other share-holders are semi-public authorities for economic development in Essen and local banks.

Another example of citizens' engagement is Bayreuth, where an association of students with migrant background became engaged in developing economic structures in the project area. A third example is Wuppertal, where a welfare organisation has run a social centre in the neighbourhood for about 60 years. Its staff and members are very familiar with the social and political context at the local scale as well as with the typical problems of many local businesses in an old industrialized urban district.

In contrast to all these examples Gelsenkirchen seems to be an exceptional case. Here, the local businesses were seen as target group but were not directly involved in the design and implementation of support activities for SME and start ups. There were also active citizen groups working with respect to the overall support scheme for urban renewal. But these groups were engaged in activities other than fostering the local economy, such as the building of eco-friendly houses and school buildings, the establishment of a leisure centre for school kids and teenagers and alike.

However, in each neighbourhood different types of **key players** (individuals / organizations) took the responsibility for the development of bonding and bridging forms of social capital between local businesses, start-ups and the other stakeholders. Again we find a wide range of possibilities. In the cities of Karlsruhe, Bayreuth and Gelsenkirchen small private business consultant companies were engaged in order to manage the particular projects on SME and start-up support. In Essen (both projects) public authorities for economic and tourism development provided staff for a limited period of time with the aim (i) to start managing the incubator and tourism projects and (ii) to identify and involve other key individuals out of the local business community who take over the leading role in fostering local economic development in future.

In Gelsenkirchen only one organization took the role as "key individual". In the other six projects in five cities at least two different persons or organizations operated as key players. Nevertheless, with respect to comprehensive knowledge of the neighbourhood-specific context of economic activities it seems to be important, from where the key players are coming. In this regard figure 4 provides an interesting overview.

Figure 4: Origin of key players in the SIC and ExWoSt projects

	the neighbourhood	the same city	other cities
Bayreuth	✖	✖	✖
Karlsruhe	✖	✖	✖
Essen (Tourism)	✖	✖	
Essen (Incubator)	✖	✖	
Hannover	✖	✖	
Wuppertal	✖	✖	
Gelsenkirchen			✖

Own depiction.

In the programme area of Bayreuth the key players originate from (i) the neighbourhood itself (local business man and citizens of the association "power of culture"), (ii) the city of Bayreuth (association of students with migration background at the university) and, (iii) the city of Nurnberg (private SME consultant who was appointed as programme manager).

In Karlsruhe, the programme managers of the city government reacted cautious and initiated the cooperation between a private SME consulting firm from a distant city as project manager, local entrepreneur with migration background and an existing local trade association. Together with the department of urban planning and the public authority of economic development these actors operated as driving forces in supporting entrepreneurs and in developing business links between local firms and those from the adjacent industrial estates in the port area of Karlsruhe.

In the cities of Wuppertal, Hanover and Essen we find combinations of key players from the neighbourhood (individual local firms, representatives of different types of business associations and religious community) and from the municipality level (private SME consultants or employees of semi-public development authorities who were appointed as programme manager). In all these cases the key players had a long professional experience in the field of economic development in the context of the particular city and the particular neighbourhood. Hence, structures, processes and important stakeholders in local politics are well-known to them as well as ways and means to link the initiatives and actors from the neighbourhoods with decision makers and important organizations at the superjacent political and economical formations.

Again the city of Gelsenkirchen remains as an exception. Here, the decision makers of the city government chose a private consulting firm from another city as local advisor for SME and start-ups. Our studies revealed that the consultants had to spend a lot of time in order to understand the local conditions and “unwritten laws” for economic development in the city and the neighbourhood under the SIC programme. Further, the consulting firm was actually specialized in moderating social processes arising in the course of comprehensive urban regeneration projects. But in Gelsenkirchen they had to be focused explicitly on start-up and SME support, where they had probably not that much expertise.

Therewith we can conclude that in most of the reviewed cases responsible decision makers at the city level invited relevant stakeholders and key persons to join the programme activities on economic renewal in particular neighbourhoods. Those people and organizations were chosen, which were already tight up with relevant structures at the local, city and regional level. Hence they were quite familiar with the history and present context of economic development and the environment for start ups in the localities, i.e. with the everydayness of entrepreneurship. Only one city followed the strategy to engage solely external experts as project managers in a city and neighbourhood which they had never experienced before.

4.4 Outcome of the projects

Finally we look on the outcome of the programme activities in our reviewed neighbourhoods. In 5 out of 6 locations – i.e. in 6 out of 7 projects – the results are matching with the initial goals (cf. tables 4.1 and 4.2). While comparing the results it should be considered that the three neighbourhoods under the ExWoSt programme are quite small in size compared to the three neighbourhoods covered by the SIC-programme of NRW.

All questionnaire surveys in the ExWoSt model areas showed that most firms are satisfied with basic location factors such as centrality, availability of labour and commercial floorspace, interrelation with customers and suppliers and the quality of life in the area. The socio-economic characteristics of the immediate neighbourhood, on the other hand, are evaluated very unfavourably by most firms. Firms with a close relation to customers and suppliers of the immediate vicinity of the location turned out to be economically less successful than those focusing on a larger market region. Contacts to local

economic development agencies are sought primarily by entrepreneurs and firms, who are already experiencing difficulties. Once more these results describe the general problem of improving location factors in deprived urban neighbourhoods and the need to provide some type of long-term support to accompany the long lasting processes of socio-economic transition. Despite of this some results of the conducted projects are quite promising.

In the Bayreuth neighbourhood all stakeholders including the owners of vacant shops developed together a plan on the future development of their location until the year 2020. Further, six start-ups could be recognized in this very small neighbourhood within the 2-year-project. Furthermore, some vacant shops could already be rented out to new tenants. Also, the business and citizens initiatives started jointly to use a redundant factory size, in the first instance for sport and cultural activities. Moreover, larger local companies joint the programme activities as sponsors for certain projects in the neighbourhood.

This type of CSR activities could be also recognized as an outcome in Hanover. It ensured that all of the above-noted measures aiming at developing Hainholz as a “hallmark” could be conducted with success. Further, under the umbrella of the newly-founded local business association some start ups developed within the 2-year-programme period.

For the city of Karlsruhe it can be stated that the planned internet platform and other marketing activities in favour of local businesses could be established. Further, the key players succeeded in integrating some ethnic entrepreneurs in the traditional local business association. Hence, this can be seen as a starting point for further integration of local business owners with a migration background and the joint branding of the neighbourhood as a location which hosts vital SMEs.

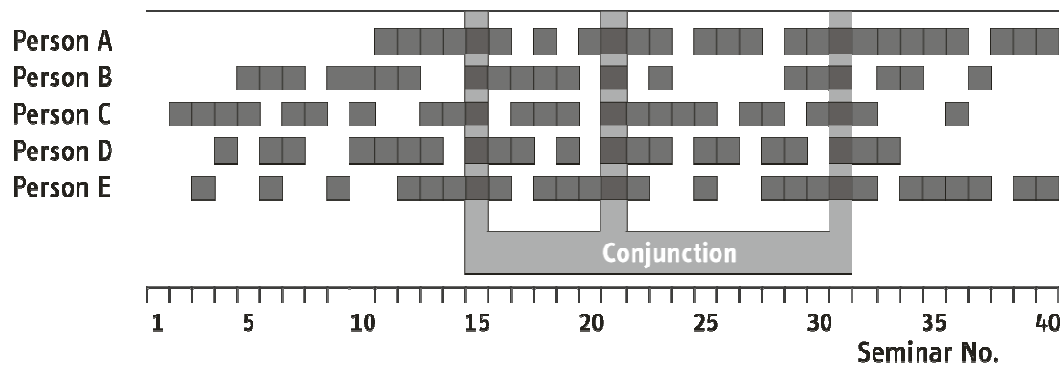
In the larger neighbourhoods which were supported by the **SIC-programme of NRW** we find quite encouraging results of the means to support entrepreneurship. In Wuppertal around 25 entrepreneurs from the fields of arts, design, media and public relations established their business in the reconstructed former textile plant or in the renovated vacant shops nearby.

In Essen the above mentioned start-up incubator today hosts 85 firms with around 500 employees. And due to many CSR-activities and strong cooperation with local citizen groups, politicians as well as the semi-public Essen Marketing Board this old industrialized neighbourhood is steadily strengthening its new image as “A Place Where Everything Is Possible”. Further, the market niche of culture and industrial heritage tourism around the UNESCO heritage site “Coal mine Zollverein” could be opened up with success by the local tourist association. Until 2009 around 40 landladies joint the association which runs a centralized booking system for Bed & Breakfast facilities as well as for guided thematic tours. In 2003 the number of bookings was around 1,000 while the estimation for in the complete year 2010 will be around 4,500. It should be further noted that until the year 2000 Bed & Breakfast was offered just in 5 locations in the old industrialized northern part of Essen, while the number grew up to 62 in 2010.

With respect to the Gelsenkirchen-Bismarck neighbourhood we can state that the advisory service conducted individual counselling for around 300 (nascent) entrepreneurs in six years (1999 – 2004). The serial of entrepreneurship around 40 seminars was attended by altogether 100 interested persons. However, our studies in the neighbourhood revealed that hardly any (nascent) entrepreneur from neighbourhood itself used these two offerings. Instead man entrepreneurs came from other parts of Gelsenkirchen or even neighbouring cities in order to get very specific information. None of them could be convinced to set up the business in the project area itself. With respect to the seminar serial our analyses revealed, that the majority of entrepreneurs only attended once; only 12 entrepreneurs

took part in more than ten of the meetings. Furthermore, those five persons who took part most often met each other just three times. The volatile nature of the seminars prevented close-knit network links (figure 5).

Figure 5: Conjunction of the core group of nascent entrepreneurs in seminars (Gelsenkirchen –Bismarck, 1999-2004)



Source: BfW Gelsenkirchen, October 2005. Own depiction.

Many of the seminar participants gained sufficient information during the first few group meetings and found no incentive to engage in further networking activities in a less known neighbourhood. Moreover, as the seminars were restricted to new ventures and the participants had limited opportunities to meet with established local firms. Moreover, due to the engagement of key players in project management from a neighbouring city, the linkages between these local managers and established local businesses remained comparatively weak.

5. Conclusion and impulses for policy development

In this paper we analysed two public programmes at the interface of urban renewal and local economic development. We were interested whether (i) entrepreneurship and its supporting activities are first and foremost seen as a topic related to economic life or (ii) as a matter of everyday activities within a particular socio-spatial constellation. Thereby we focussed on the rationale behind and the outcome of the policy approach and the way of involvement of different stakeholders and key individuals who could be able to consider the everydayness of economic activities in the neighbourhood context of socially deprived and partly old industrialized urban districts.

With respect to the design of the presently dominating support policy our study results indicate that the decision maker at the national and regional scale, i.e. the representatives of the public authorities for urban and economic development consider the multifaceted context of entrepreneurship very well. This becomes visible through the programmes regulation that all stakeholders from a particular neighbourhood are invited for the design and implementation of renewal measures in their locality and that in the SIC-programme local initiatives have access to particular funds for their own activities in this context. Further, the process of agenda setting and implementation of the support programme in a particular neighbourhood follows strictly the bottom-up principle. Thus, the required preconditions to consider the specific socio-spatial contexts of entrepreneurship – i.e. the everydayness of entrepreneurship in a neighbourhood - are given.

Furthermore, our analyses indicate that stakeholders at the city level hold a large responsibility for the sufficient consideration of entrepreneurship contexts. Representatives of municipal boards of urban planning and economic development together with other actors decide, whom to invite as programme

manager for a particular neighbourhood. If the decision is done in favour of widely accepted and well-connected persons or organization with vast knowledge about the local context of economic development, further good preconditions are given in order to conduct support measures for SME and start ups with success. In contrast, a decision about programme managers which favours key players from outside the respected city alone, bears a high risk of ineffective programme implementation. Thus, it is up to the decision makers at the city level to use the chances for considering context of entrepreneurship in the field of integrated local economic development, which are opened by the stakeholders at the superjacent scales.

Our examples showed, that the joint appointment of two or more well connected programme / project managers from the same city and from the respective neighbourhood increase the probability to succeed with approaches to foster entrepreneurship in deprived neighbourhoods. Such key players are in all probability able to strengthen the links between local citizens and business by arranging activities in terms of corporate social responsibility as well as by using citizen ideas with respect to business activities in the localities. In this way the everydayness of entrepreneurship will be realized.

Hence, we conclude that radical changes of the existing policy approaches are not required. But it seems to be necessary to ensure, that existing programme standards with respect to the participation of local business and citizens are asserted in every case, i.e. in every neighbourhood which comes under the discussed support programmes. If this is done, we believe that a broader implementation of the local economic development programmes carried out here can be a very useful tool to promote entrepreneurship with the overall aim of urban renewal. Since the consideration of place specific contexts is inherent to the respective activities the probability is quite high to conduct the concrete measures with success, at least in the long run.

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