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report 4e

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*Governing Urban Diversity:
Creating Social Cohesion, Social Mobility and Economic Performance in Today's Hyper-diversified Cities*

Report 4e Fieldwork entrepreneurs, Copenhagen (Denmark)

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The views expressed in this report are the sole responsibility of the authors and do not necessarily reflect the views of the European Commission.

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1. Introduction

High levels of economic growth and increases in the well-being of citizens, which are main objectives of urban policies, are closely connected to levels of entrepreneurship in a given society or city and to the ability of citizens to create new enterprises (Fainstein, 2005; Bodaar & Rath, 2005). In the global era, cities compete for enterprises with high economic performance and talented entrepreneurs, besides creating the conditions necessary for new start-ups. The literature emphasises that cities open to diversity are able to attract a wider range of entrepreneurs than cities which are relatively closed (Fainstein, 2005; Florida, 2002; Taşan-Kok & Vranken, 2008; Eraydin et al., 2010). However, empirical research on how local economic performance is connected to urban diversity is quite limited and provides evidence usually only at macro level. This report forms part of the EU-FP7 DIVERCITIES project. One of the aims of the project is to fill the gap with empirical evidence collected at neighbourhood level from 14 European cities.

In this report, we focus on the economic performance of enterprises in a deprived, dynamic and diverse neighbourhood in Copenhagen, Denmark and on the conditions which support their competitiveness, sustainability and long-term development. Investigating the relationship between urban diversity and the success of entrepreneurs, we want to explain how neighbourhoods can provide the conditions for individuals or groups to strengthen their creativity and enhance their economic performance. First, the report examines entrepreneurs starting their enterprises in diversified neighbourhoods and the factors influencing their economic performance, such as ethnic backgrounds, age, family background, gender, educational level, previous experience etc. The influence of neighbourhood and city diversity must be viewed in relation to such factors. Second, the report explores the main motivations of the entrepreneurs for starting their enterprise and assesses whether neighbourhood diversity was an important factor in establishing the location of the enterprise. Third, the report evaluates the impact of market conditions on the economic performance of entrepreneurs, and fourth, it examines the role for the entrepreneurs of policies and organisations at different levels.

The general aims of the report are pursued through the research questions below, each of which will constitute the focus of a report chapter:

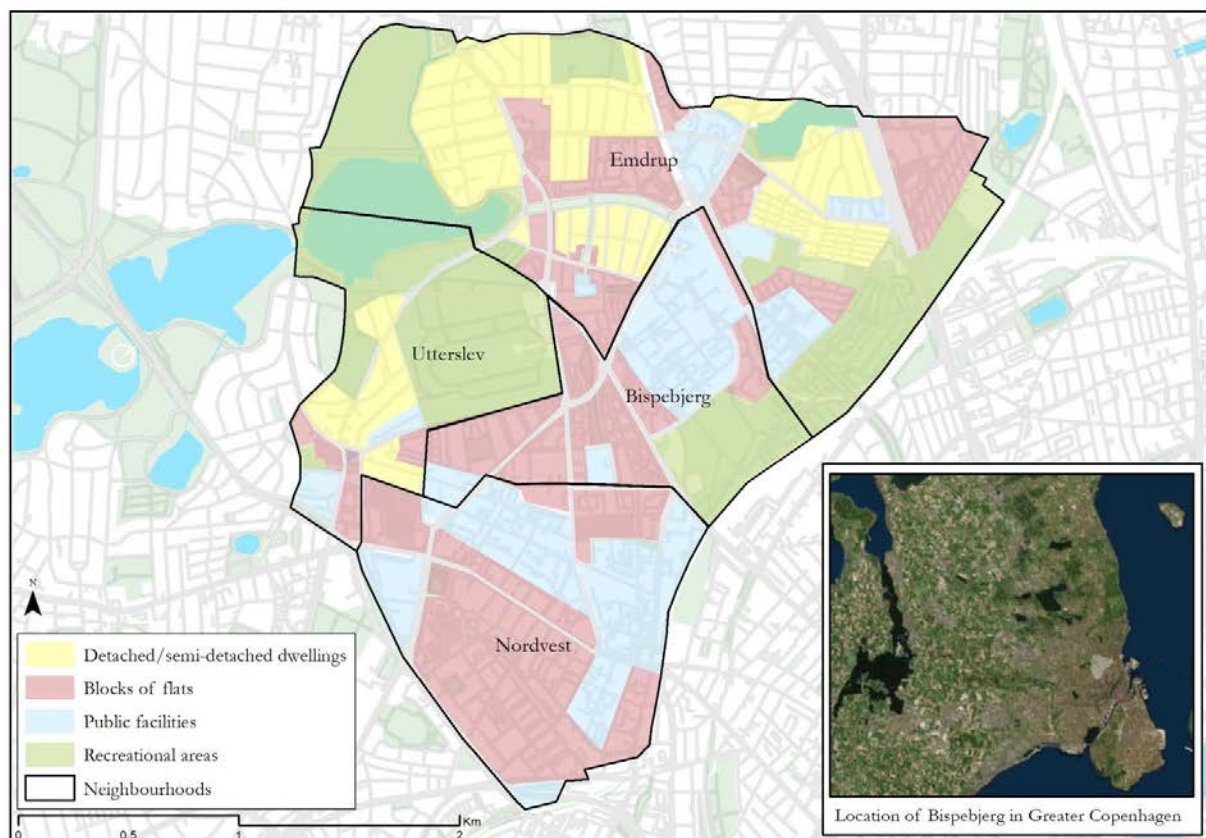
- What are the main characteristics of the entrepreneurs and of their enterprises? What are their fields of activity, how are they organised and managed, and what are the physical facilities of the enterprises? (Chapter 2)
- Which were the main motivations of the entrepreneurs to establish an enterprise, and how was the specific line of business chosen? How important was the neighbourhood diversity for the choice of location of the enterprises? Did the entrepreneurs receive support to start up their enterprise? (Chapter 3)
- What are the important success and failure factors that affect the economic performance of enterprises? How are the enterprises performing currently, and has this changed? To what extent does neighbourhood diversity play a role in this regard? What are the long-term plans of the entrepreneurs? (Chapter 4)
- Which policies, organisations and programmes contribute to the performance of the enterprises, and how do the entrepreneurs perceive such initiatives? What do the entrepreneurs perceive as important priorities for the governance of entrepreneurship? (Chapter 5)

The research in this report focuses on the area of Bispebjerg in the city of Copenhagen, located north of the city centre (see Figure 1 below for a map of Bispebjerg). Bispebjerg can be

considered one of the most diversified areas of Copenhagen: Due to its highly mixed housing stock in terms of size, ownership and price range, along with a mix of public facilities (e.g. employment centres), semi-public facilities (e.g. religious organisations) and a highly varied enterprise landscape, Bispebjerg is made up of a wide variety of people and activities. The area attracts a diversity of people in terms of age, social background, economy, ethnicity, religion, lifestyle, culture, attitude, activities, etc.

Nordvest is the neighbourhood located closest to Copenhagen city centre (Figure 1) about four kilometres away and was originally a late 19th century industrial district at the city limit, where small factories and workshops lay side by side with low-rise blocks of flats. Today, the neighbourhood is a mix of small enterprises and (semi-)public facilities located in the old industrial buildings, alongside blocks of flats from around 1900. This is where Bispebjerg's main shopping street, Frederikssundsvej, is located. Further out, large main roads cut through an area consisting primarily of housing blocks, most of them high-rise social housing estates built in the 1930s, 1940s and 1950s for local workers. This area is simply known as the Bispebjerg neighbourhood¹. Furthest away from the city centre, Bispebjerg consists of the residential areas Emdrup and Utterslev with detached houses built for lower-middle-class families at the beginning of the 20th century. These are mixed with a few social housing blocks. Emdrup and Utterslev are surrounded by large recreational areas and generally contain fewer enterprises and (semi-)public facilities than Nordvest.

Figure 1. Bispebjerg roughly divided into neighbourhoods and functionalities and with the locations of interviewed enterprises marked.



¹ Note: The borders between Bispebjerg's different neighbourhoods are in no way fixed, and people's perceptions of which neighbourhood a given site belongs to vary greatly.

Bispebjerg has approximately 52,000 inhabitants including students, singles, families, the elderly, low- middle- and high-income groups, ethnic Danish residents and several ethnic minority groups of residents. Furthermore, because residential mobility rates are high, the resident composition is very dynamic, and over the years, it has changed profoundly. From the 1960s onwards, the financial situation of middle-class families in Denmark improved, leading them to abandon Bispebjerg's social housing estates in favour of single-family houses outside Copenhagen. Instead, Copenhagen Municipality gradually began using the estates for the allocation of disadvantaged citizens as well as for refugees and immigrants coming to Denmark from various countries. This profoundly altered the resident composition in large parts of Bispebjerg in terms of socio-economic composition, demography and ethnicity. Furthermore, the general pressure on the Copenhagen housing market has increased in recent decades, leading to a rise in the prices of owner-occupied dwellings and to increased competition for rental dwellings. This has two consequences: First, Bispebjerg's owner-occupied dwellings (single-family houses as well as flats) are gradually being occupied by more well-off households. Second, an increasing number of young people (e.g. students) are moving to the area, because housing is more easily accessed and more affordable here than in more popular Copenhagen areas, as Bispebjerg is still perceived as a low-status district with a scruffy, motley and quite troubled image. The changes in Bispebjerg's residential composition have led to changes in the local facilities and street scene which in turn have brought with them a change in visitors, businesses and other actors (cultural facilities, public institutions, etc.) attracted to the area. In mixing with 'older' aspects of Bispebjerg, such new developments add to the diversification of Bispebjerg in terms of culture, socio-economic composition, age, ethnicity, lifestyles, activities, built environment, facilities and enterprises.

The enterprise landscape in Bispebjerg

Today's enterprise landscape in Bispebjerg reflects the history of the area as well as its relation to the rest of Copenhagen in terms of residents and visitors to the area, economic conditions, physical facilities and geographical location. Despite Bispebjerg's advantageous location (close to motorways and to the city centre), rents in the area are relatively low and access to premises relatively easy due to Bispebjerg's lower status and troubled image compared with more upscale or trendy parts of Copenhagen. Such factors attract low-turnover or start-up enterprises. Furthermore, the area contains both very small and very large spaces: for instance, small one-room rental spaces along the main shopping streets or on large cut-through roads in residential areas attract one-person companies such as hairdressers or small newspaper shops. At the same time, being an old industrial area, Bispebjerg contains several workshops, storage buildings and former factories that provide large, roomy facilities which can be difficult for enterprises to find elsewhere in the city. For production companies, workshops and the like (e.g. auto repair shops), restrictions on land and property use have further limited the availability of physical facilities to just a few areas in Copenhagen, one of which is Bispebjerg. Besides such enterprises, in recent years Bispebjerg's old industrial buildings have become attractive for a range of enterprises including wholesale companies, shared-office spaces, art galleries and design companies. Especially in the inner parts of Nordvest, a cluster of creative enterprises such as interior design, art studios, film production companies and advertising companies lies side by side with auto repair shops, production companies, facilities for non-commercial activities (e.g. religious organisations) and public facilities such as a municipal employment centre. The development of a cluster of creative enterprises has been backed up by local planning, in that the area has been laid out by Copenhagen Municipality as a so-called 'creative zone' (Addition no. 29 to City Plan

2011). Additionally, a smaller cluster of urban development enterprises has been fostered by the local area-based regeneration project in Bispebjerg² (see Section 4.4 and Chapter 5).

Numerous retail shops and eateries are located along Bispebjerg's main shopping streets in inner Nordvest. Here, Bispebjerg's heritage as an old working-class area is reflected in several traditional-style businesses still located in this area, for instance small pubs and bars, clothing shops, dry cleaners' or traditional Danish lunch shops. On the other hand, national or international retail chains like high-street fashion brands are not found here (as opposed to several other Copenhagen districts)³. At the same time, inner Nordvest is considered one of the most ethnically mixed areas in Copenhagen (see a former DIVERCITIES report, Beckman et al., 2015: 22), as traditional Danish style shops exist side-by-side with shops owned by people of Middle-Eastern or African origins. These typically include greengrocers', jewellers, money exchange shops, hairdressers, gambling halls and shawarma or kebab eateries. Finally, Bispebjerg is home to large groups of self-employed persons working from home, typically cleaning companies or IT and telecommunications companies such as one-person website design companies or IT consultants. Naturally, however, the occurrence, size, and location of such enterprises are more difficult to estimate than facts about more visible or exposed enterprises.

Table 1. Approximate distribution of enterprises in Bispebjerg, Copenhagen. Based on data from The Central Business Register, October 2015 (Det centrale virksomhedsregister, 2015).

Sector	Per cent
Service businesses	21%
<i>Cleaning companies</i>	16%
<i>Administration/ rental of properties etc.</i>	13%
<i>Hairdressers and beauty parlours</i>	9%
Creative enterprises ¹	19%
IT and telecommunications	10%
Retail	9%
Consultancy services	9%
Health sector and private care services	8%
Wholesale and production companies	5%
Finance and holding companies	5%
Restaurants, cafés, catering, hospitality	5%
Building and construction	4%
Education and leisure time services	4%
Total	100%
All registered enterprises in Bispebjerg²	3.597

¹ Including publishing, advertising and event management.

² Defined as addresses with the postal code 2400, almost but not completely matching the municipally defined area of Bispebjerg.

Table 1 shows an approximate distribution by sector or type of all registered enterprises in Bispebjerg as of October, 2015. The figures are based on data from The Central Business Register, where all enterprises in Denmark are obliged to register. However, the responsibility for

² See a former DIVERCITIES-report, Andersen et al., 2014a, for more information about area-based regeneration projects in Copenhagen.

³ Such shops can however be found in a separate shopping centre, Nørrebro Centret, located at the border between Bispebjerg and Nørrebro.

updating data lies with the owners themselves, including the closing of enterprises, and enterprises can stay registered without actively operating. Consequently, the register can contain outdated information or data about non-operating enterprises. Especially when it comes to one-person companies, such inaccuracies in the data can be difficult to determine, and since about half of the enterprises in Bispebjerg are in fact registered as one-person companies, awareness of such uncertainty is important. With these reservations in mind, Table 1 shows how service businesses constitute the largest sector in Bispebjerg. This sector includes cleaning companies, administration or rental of properties, hairdressers and beauty parlours, etc. Many of these are one-person enterprises with a limited turnover. The second largest sector in Bispebjerg comprises creative enterprises, a rather new, but growing sector in the area, as outlined in the paragraph above. In addition, major business sectors in Bispebjerg include IT and telecommunications businesses, retail shops, consultancy services and health sector and care services businesses.

As analyses of the empirical material will show, the composition of entrepreneurs in Bispebjerg is as varied as the enterprises themselves in terms of factors such as age, ethnicity, culture, gender, economic backgrounds, social backgrounds, education, attitudes, lifestyles and activity. However, no official data is available to illustrate this.

Methodological approach and empirical material

Between September and November 2015, interviews were conducted with 40 entrepreneurs in Bispebjerg. Almost all of the interviews were conducted at the location of the enterprises, and field notes were taken to register the physical facilities. All interviews were taped, transcribed and subsequently analysed using the qualitative data analysis software NVivo. The interviewees were chosen to construct, firstly, as varied a sample as possible and, secondly, a sample reflecting the enterprise landscape in Bispebjerg and the on-going processes of change to the area. Additionally, the aim was to achieve a geographical diffusion of interviewed enterprises across Bispebjerg (see Figure 1; note, however, that very few enterprises exist in the eastern part of Bispebjerg). Still, this was a qualitative approach whose goal was not to construct a statistically representative sample. Consequently, the sample of enterprises covers most sectors outlined above. It includes traditional enterprises with a long presence in the area, for instance a small 40-year-old dog grooming parlour, but it also includes newcomer enterprises with a highly different profile, such as a rapidly expanding entertainment company with a much younger and more upscale client base. Furthermore, the sample includes entrepreneurs of both genders and a variety of ages, large enterprises employing up to 100 people as well as one-person companies, and enterprises organised as partnerships, single ownerships, family businesses, private limited companies, etc. Additionally, the sample includes enterprises owned by people of ethnic majority backgrounds as well as ethnic minority backgrounds, and it covers enterprises with a broad group of customers as well as enterprises primarily catering to customers within the same ethno-cultural group as the owners. Most enterprises in the sample are small and relatively new: only about a fifth employ more than 10 people (including the owners), and only about a quarter are more than 10 years old; in fact, nine enterprises have only existed for one year or less. The interviewees primarily live outside Bispebjerg. Most of them are in their 30s or 40s, but the sample also includes both younger and older interviewees. While there are more male interviewees than female, the level of education of the interviewees is fairly evenly distributed between higher, middle and lower levels. Finally, about 40% of the interviewees are of non-ethnic-Danish backgrounds, especially Iranian and Pakistani.

Enterprises were identified through searches of the internet and the yellow pages and by contacting relevant professionals (e.g. interviewed staff at the municipality). Local contacts and observations of the street scene provided vital clues. Furthermore, a snowballing approach was employed, using the interviewees' recommendations of other enterprises. Snowballing was an

effective way of discovering less exposed enterprises and, to a varying degree, of facilitating access to new interviewees. Generally, interviewees were either approached on site (e.g. in shops), or through phone calls or emails. The latter approach proved successful only with rather formal and communicatively oriented enterprises, whereas less formally organised and often smaller enterprises were better reached through on-site approaches. Consequently, enterprises of the latter type who did not have a shop or an office with public access were difficult to reach. This applied especially to small cleaning companies and to IT and telecommunications companies, and consequently such enterprises are missing from the sample. Furthermore, some types of enterprises refused to participate in interviews, for instance auto repair shops, pizzerias, kebab eateries, small bars and pubs. These enterprises were generally dismissive of participating in an interview and came across as not wanting to share any information on the workings of their enterprises. If this is an expression of an informal economy functioning in the area, the views of such enterprises on urban diversity and entrepreneurship will consequently be missing from the analyses. Altogether, these shortcomings in the sample must be taken into account, as enterprises of these types form a distinct part of the street scene in Bispebjerg. However, such gaps in the empirical material are relatively small, and they have been afforded careful attention in the analytical process to avoid the underrepresentation of any views.

Figure 2. Environments in Bispebjerg (from left): A busy shopping street in Nordvest, an auto repair shop in a former industrial area, mid-20th century social housing estates, an owner-occupied detached housing area.



2. The entrepreneurs and their businesses

As this is a neighbourhood of high diversity in terms of population, activities, physical surroundings and functionalities, the landscape of enterprises in Bispebjerg is highly diverse as well. Chapter 2 will look into the characteristics of local enterprises and the entrepreneurs behind them to establish the basis for further analyses of the conditions and contexts under which these enterprises work and the challenges they face. Literature points to marked differences in the attention given to different types of entrepreneurs. For instance, in the name of realising the economic advantages of diversity, public policies and initiatives tend to focus on higher-education and higher-income entrepreneurs, e.g. creative entrepreneurs like Florida's *'creative class'* (2002), rather than on more troubled population groups using entrepreneurship as a means of social mobility (Syrett & Sepulveda, 2011; Collins, 2003; Baycan-Levent & Nijkamp, 2009; Kloosterman & van der Leun, 1999). Such arguments highlight the importance of cities taking a broad and positive approach to diversity, not only when dealing with economic issues, but in connection with social issues as well (Tasan-Kok et al., 2014).

2.1 Characteristics of the entrepreneurs

The key characteristic of our sample of entrepreneurs is its wide variety: In terms of age, gender, ethno-cultural backgrounds, education, previous experience, sector of enterprise, professional approach etc., our interviewed entrepreneurs are extremely diverse, and this clearly underscores

the diversity of the business landscape in Bispebjerg, as outlined in Chapter 1. To provide an overview of the entrepreneurs and begin the analysis, a rough division of the interviewees into five groups is presented (see appendix for the characteristics of each of the entrepreneurs interviewed):

- Established creatives: ethnic Danish background, 40+, primarily men, high or medium educational level, education relevant to current occupation, extensive experience within the sector, and own established enterprises within the creative field, e.g. architecture firms, interior design companies, developing companies, IT enterprises, consultancies, etc. These entrepreneurs make up around one fifth of the sample.
- Younger creatives: aged 25 to 35 with a strong personal interest in the sector of the enterprise. Innovative enterprises in start-up phases, often within creative fields or the entertainment sector. Entrepreneurs are often highly educated (academics, artists, etc.), either men or women, of ethnic Danish or other Western backgrounds. This group comprises approximately one fifth of the interviewed entrepreneurs.
- Low-skilled or unskilled first generation immigrant entrepreneurs: first generation immigrants (including refugees) from Middle-Eastern or African countries, some with relevant vocational training, some with training from homeland in a different field than current occupation (in some cases both). Small-scale enterprises within traditional commercial sectors (e.g. hairdressers, dry cleaning, newsstands). These entrepreneurs make up a quarter of the sample, making this the largest group.
- Skilled ethnic Danish entrepreneurs: Mainly women over 35 years of age with vocational qualification and generally with considerable previous experience within the sector. Enterprises within traditional sectors, e.g. service businesses or skilled trades. These entrepreneurs only make up a minor part of the sample.
- Unskilled ethnic Danish entrepreneurs: Men over 50 years of age with no training relevant to current occupation. Long-term self-employed or unstable attachment to the labour market. Only a couple of the entrepreneurs interviewed belong to this group.

The entrepreneurs have acquired professional experience within their field of business in different ways, and as the characteristics listed above illustrate, how experienced the entrepreneurs are before starting their current enterprise differs substantially. Still, three key sources of experience can be identified: First, a large number of the entrepreneurs have obtained experience through previous jobs in the sector, giving them knowledge of this particular field and market. Additionally, previous jobs have helped them identify their main fields of interest, their competences, etc. However, general experience in having and running an enterprise is highlighted as just as important as professional experience within the sector: understanding the rules and regulations of running an enterprise and knowing which challenges and pitfalls to be aware of is considered a key resource by a relatively broad group of entrepreneurs. However, these are predominantly entrepreneurs of larger-scale and professionally run enterprises. Second, a relevant education is a key source of useful knowledge for the entrepreneurs. This provides those who have a relevant educational background with a specific skillset upon which they can base their enterprise. For most entrepreneurs, education and previous work experience are the main sources of experience in their field of enterprise, and often it is a combination of the two. A third way for the entrepreneurs to gain relevant experience is through their social networks; that is, they take over an enterprise from family or acquaintances. This ranges from taking over an enterprise from an acquaintance from the same social circles as oneself to making a traditional generational change in a family-owned business; for instance, an undertaker (R12) has continued the firm started by her grandfather 91 years ago.

2.2 Characteristics of the businesses, their evolutionary paths and core fields of activity

As outlined in Chapter 1, the sample of enterprises illustrates the changes and developments taking place in Bispebjerg. Using the types of entrepreneurs listed in Section 2.1 as a starting point, the following section will develop these types into five categories of enterprises, adding the organisation, the history and the management of the enterprises to the analysis. The five categories are to be considered ideal types, and, of course, enterprises in the sample deviate from the categories to varying extents. A table of the division of all enterprises into the five categories can be found in the appendix.

The five categories consist of three categories of established enterprises and two categories of newer enterprises. The established enterprises fall into three categories: First, *enterprises reflecting Bispebjerg's history as an old working-class neighbourhood* (see previous DIVERCITIES reports for an overview of Bispebjerg's history: Andersen et al., 2014a; Beckman et al., 2015). These enterprises are typically within retail or skilled trades of more traditional types. They are traditionally organised and have quite static or stable characters; in other words, such enterprises could have been found in Bispebjerg at any point in time. They are owned by ethnic Danes who are more than 40 years old, mostly with vocational training within the relevant field. The enterprises have generally existed for several decades and are often family businesses. They cater predominantly to local customers with social, economic, ethnic, cultural and demographic backgrounds that are similar to the backgrounds of the owners themselves. Rather than aiming at economic growth, these enterprises focus on maintaining a stable turnover and keeping the customer base at a level to which the enterprise can cater. The staff sizes of these enterprises vary, and in the smaller enterprises in particular, employees are often long term, as the stability of staff is perceived as an important resource. Examples of such established enterprises reflecting the old working-class neighbourhood include a family-run glazier shop, an auto repair shop that has existed for half a century and a traditional pub run by a woman whose father, the owner, still lives in the upstairs flat.

The second category of established enterprises is *enterprises characterised by a high degree of professionalism*. The approach of the entrepreneurs to running a business is very professional and often (though not necessarily) based on higher-level education. The organisation, staff, products, management, finances, and strategies of these enterprises are all professionally handled, and offering products or services of a very high quality is the key factor. Examples include an architecture firm, an interior design company, a developer and an IT business. The entrepreneurs in this category are generally male, predominantly of ethnic Danish background and between 35 and 65 years of age. Some of the businesses have started as innovative enterprises, while others have provided more traditional products from the beginning, but today all enterprises are stable and well established and have typically existed for 10-20 years. Enterprises within this category often employ highly educated staff with specialised competences, and for this reason, a central location close to Copenhagen city centre is of great importance. Accordingly, staff for these enterprises are rarely found within Bispebjerg. Furthermore, the customer base of the enterprises is not in Bispebjerg, though it is often located in the Greater Copenhagen area, and local knowledge is not considered of major importance for employees, compared with professional skills and knowledge. A gallerist describes his two directors in the following way:

“They’ve both got a really broad knowledge about contemporary art, they both studied art history, and not just contemporary art, but the machinations of the art world, the politics and the network, the structures, the kind of unwritten rules of the art world, they’re kind of invisible unless you know them, and that just comes with time and from working in the art world” (R20, owner of art gallery originally established in London, UK six years ago, higher-level education).

Finally, the third category of established enterprises is *immigrant enterprises with non-innovative services or products*. Such enterprises are retail businesses providing well-known services or products, for instance a drycleaner or a newspaper shop. However, as the entrepreneurs are all immigrants (including refugees) from Middle-Eastern countries, they can also reflect the culture and nationality of the entrepreneur, for instance an Iranian carpet shop. The products of these enterprises are well-known rather than innovative, and the running of the enterprise is static rather than under development. Some of the enterprises do have plans to expand or develop the enterprise to some degree, but in general, the shops are a way of making a living rather than pursuing a certain dream or creating high economic growth. In some cases, the sustainability of these enterprises is challenged by external economic and societal conditions, such as large supermarkets offering similar products at prices below wholesale prices. The entrepreneurs are all male, typically in their fifties and sixties, and predominantly unskilled, but they have generally obtained substantial experience within their field. Although the enterprises in this category have existed for approximately 10-20 years, they are generally small, either with no employees besides the entrepreneur or with informal assistance from family members. Altogether, the three categories of established enterprises in the sample reflect the development of Bispebjerg during the 20th century from a working-class neighbourhood on the outskirts of Copenhagen to a more diverse area into which small-scale entrepreneurs of ethnic minority backgrounds as well as highly professional enterprises have found their way. In addition to the established enterprises, two groups of newer enterprises can be identified in the analysis. They reflect the further development of Bispebjerg into a highly diversified neighbourhood in recent years.

The first category of newer enterprises is *first-mover enterprises in Bispebjerg*, that is, enterprises with products or services which may not be new to other areas of Copenhagen, but which are new to Bispebjerg. Examples include a mobile app service for 'urban foraging'⁴ (R25) and an enterprise combining the restaurant business with IT services (R1). Enterprises are small with no employees or only a few, and these are often part-time or hired on a freelance basis. The enterprises are often organised as partnerships between two or three people. Here, the entrepreneurs are primarily young, around 30 years of age. They are of ethnic Danish background and have a relevant education at a medium or higher level. The enterprises are generally less than five years old and are clearly in the start-up phase: their products, services, organisation and overall business models are still under development. Moreover, the customer base is still being built up and turnover is still unstable. These enterprises have a clearly innovative element, and the general motivation for starting an enterprise was a personal or professional interest or an ambition to develop new products or business models. For some of these enterprises, such as an urban planning firm solving tasks for municipalities across the country, clients are primarily public institutions or other enterprises. Other enterprises cater to private individuals, for instance a tattoo artist, a takeaway shop, etc., and their customers predominantly share the social, cultural, economic and demographic characteristics of the entrepreneurs. Consequently, new groups of residents in Bispebjerg, such as young urbanites with a different lifestyle, make it possible for these enterprises to find a substantial share of customers in the local area. Still, the enterprises generally base their clientele on the entire city and have elaborate professional networks across Copenhagen. Consequently, Bispebjerg's central location is important to them.

The second category of newer enterprises in the sample is *non-innovative and non-explorative enterprises*. Though these enterprises may be in the start-up phase, they have not set out to explore new ground in terms of services, products, business models or organisational forms. Rather,

⁴ A free mobile app supplying tips regarding green areas in the Copenhagen area that are suitable for picking fruit, herbs, etc. The income of this enterprise comes from talks and workshops on 'urban foraging'.

enterprises are simply considered a way of making a living. Often the entrepreneurs have experienced substantial difficulties in accessing the regular labour market and have started up their enterprises in an attempt to overcome this problem:

“I was unhappy because no one would hire me. I was so tired, and I said ‘Why is it like that - is it because I’m a foreigner? But my work is really good, it is’”. My mum said to me ‘don’t worry, I’ll help you’, and she gave me money, and then my partner came up and said ‘I’ll help you’, and he has another hairdresser’s besides this one, and he let me lease this parlour” (R7, female, 40, Iranian background, trained as a hairdresser, runs a small hairdresser’s salon).

Consequently, entrepreneurs in this category have chosen a line of business that is well-known either to themselves (through previous experience) or to their network (family, acquaintances). Examples of this kind of enterprise include a gambling hall, a beauty parlour and a greengrocer’s shop; that is, they are mainly in sales and services. The sectors, organisational forms, and sizes of these enterprises are very similar to those of the ‘established immigrant enterprises with non-innovative services or products’, but they have existed for a shorter time, of course. The entrepreneurs of the two categories are very similar as well, in terms of ethnicity for instance, but while the more established business owners are all male and primarily middle-aged, the entrepreneurs of these newer businesses are younger and can be either male or female. They are primarily unskilled, although the women in particular have some degree of vocational training within a relevant field, even if they do not necessarily have much relevant work experience. The enterprises are small-scale, often with no formally hired employees (sometimes relatives or acquaintances assist in the shops), and if they do have employees, they are not usually hired on the basis of formal qualifications but on the basis of personal characteristics such as their cultural or linguistic backgrounds as a large share of the customers are of Middle-Eastern or African origin.

2.3 The location and site/s of the enterprise

As described in Chapter 1, the physical environment in Bispebjerg is highly varied, and this affects the enterprise landscape and distributes the enterprises unevenly across the neighbourhood. Some parts of Bispebjerg are primarily residential areas which house very few enterprises, while other areas contain concentrations of certain enterprise types, for instance, retail shops along the central shopping streets or workshops and creative enterprises in former industrial areas. The map of Bispebjerg (Figure 1) shows the geographical distribution of all enterprises included in the sample.

Most enterprises are located in rented premises, some with private landlords and others in cooperative estates or social housing estates. Renting premises is common practice for enterprises in Denmark, and this applies to enterprises of all types in the sample. In particular, newer enterprises and retail shops tend to rent their premises. Generally, the entrepreneurs express little preference for renting as opposed to owning their premises, or vice versa, but some entrepreneurs emphasise the advantage of a flexible tenancy in terms of relocating the enterprise to differently sized or alternatively located premises should expansion or cutbacks in the business become necessary. Furthermore, in the daily running of the enterprises, differences between rented and owned premises are limited. A few of the entrepreneurs own their own premises; this applies primarily to more established entrepreneurs, mostly with skilled trades workshops. Additionally, some entrepreneurs have inherited the premises in taking over a family business. Entrepreneurs that own their premises generally hold on to them tightly, as equivalent facilities would be very difficult to find elsewhere in Copenhagen at similar cost. A large proportion of entrepreneurs who own their premises sublet parts of them to other enterprises, often in a related sector. Such subletting is mostly small-scale, but in a few cases, the entrepreneurs own several buildings in an area and consider them an investment and development project. Some renting

entrepreneurs also sublet part of their premises as well. However, this is always on a small scale, and premises are usually sublet to personal or professional contacts within a similar field, as the shared space gives the entrepreneurs an opportunity for social and professional sparring. As the enterprises in the sample are generally small-scale, most only have one office, workshop or shop, but approximately half of the enterprises have an external storage or production facility, often outside Copenhagen where rent levels for large premises are lower. A few of the enterprises are part of larger companies with more than one branch. This primarily applies to established enterprises that have existed for a long time, and in these cases, the other branches of the enterprise are primarily located outside Bispebjerg.

Figure 3. Former industrial building in Bispebjerg now housing i.a. an interior design company and a pole dancing studio.



Many of the enterprises are rather small with limited turnovers. Consequently, expenses for rent and for interior and other physical facilities must be kept low. As described in Chapter 1, Bispebjerg offers a number of small and plain business premises with comparatively low rents, and, of course, they attract such enterprises. This especially applies to retail shops and small service shops such as hairdressers. The enterprises renting such premises keep the interior quite basic and plain and make few changes when they take over the tenancies. Upgrading is done in small steps over time as the funding becomes available. In some cases, the premises have housed similar enterprises before, thus giving the entrepreneurs the advantage, for instance, of reusing the interior. This is considered a significant economic advantage, especially for entrepreneurs with retail shops, and in some cases, this was a contributing factor in the choice of premises. Despite the limited effort devoted to decorating, the enterprises can generally be said to reflect the lifestyles, cultures, tastes, and age of the owners. For instance, some ethnic minority entrepreneurs have decorated their shops to reflect their cultural and ethnic backgrounds. However, if the customer base of their shop is ethnically very mixed, these entrepreneurs

downplay such aspects and decorate their shops in a more culturally neutral way. Another example is provided by the younger creatives: although financial means are often limited for these entrepreneurs, they put work into decorating their premises in a young and urban style, for instance by using second-hand or homemade interiors. Larger enterprises or enterprises with bigger turnovers are less limited in terms of opportunities to redecorate and adapt their premises to fit the enterprise. In some cases, the physical surroundings are deliberately incorporated in the business strategy, for instance to present the enterprise in a certain way to visiting clients (e.g. urban and trendy, formal and traditional, etc.). Such approaches to their premises can be found amongst the better established and highly professional creative enterprises, such as a company producing high-end beauty products. Several of these enterprises are located in Bispebjerg's old industrial buildings, and while the former factories and workshops have been partly modernised and updated, the raw and industrial style of these buildings is also deliberately accentuated and incorporated in decorating to create an edgy, urban and trendy style. Besides these enterprises, the former industrial buildings also house some of the innovative start-up enterprises, due to special tenancy arrangements made by the municipality or local regeneration projects: as part of a municipal strategy, rents are kept at very low levels to allow such enterprises to develop (see Chapter 5). In this regard, the old industrial areas in Bispebjerg which might appear worn-down represent attractive facilities for highly professional enterprises. Though this trend is not isolated to the Bispebjerg area, it is of particular relevance here for two reasons. First, the development of formerly deprived Copenhagen areas into more attractive, up-and-coming neighbourhoods reached Bispebjerg at a time when such raw industrial environments were becoming 'trendy'. Second, Bispebjerg's large former industrial areas offer considerable potential for development into such trendy urban areas.

2.4 Conclusions

This chapter has shown the diversity of enterprises in Bispebjerg in various ways. On an overall basis, five ideal types of enterprise can be identified in the sample, namely, enterprises reflecting Bispebjerg's history as an old working-class neighbourhood, enterprises characterised by a high degree of professionalism, immigrant enterprises with non-innovative services or products, first-mover enterprises in Bispebjerg and, finally, non-innovative and non-explorative enterprises. The first three types of enterprise are more established, whereas the last two types are newer enterprises. This division into categories demonstrates Bispebjerg's relative position in Copenhagen as well as the changes taking place in the area over time: Firstly, Bispebjerg is an old working-class neighbourhood which has developed into a relatively troubled part of Copenhagen with a large share of disadvantaged residents. Yet, second, along with comparatively low rent levels and large physical facilities, its central location close to Copenhagen city centre makes the area attractive to a variety of enterprises, including professional and large-scale businesses, on the one hand, and small-scale businesses and start-ups on the other. Third, an increasing ethno-cultural mix of residents and enterprises has added to the diversification of Bispebjerg since the 1980s. Finally, Bispebjerg's old industrial neighbourhoods attract enterprises from a wide variety of sectors, including production companies, workshops, skilled trades and creative industry businesses. Together, these factors have shaped and continue to shape Bispebjerg into a highly diversified enterprise landscape.

3. Motivations to start a business and the role of urban diversity

3.1 Introduction

On the face of it, the image of an entrepreneur may be that of a hard-working individual driven by a strong personal interest and an innovative idea. Yet, looking at the entrepreneurs interviewed in Bispebjerg and the wide diversity of their enterprises, the accuracy of this image must be examined further. All entrepreneurs may not be driven by the same motivational factors and all enterprises may not begin under the same circumstances. For instance, several retail shops on Bispebjerg's high streets resemble numerous other shops in the area, the city or elsewhere. Furthermore, several interviewed entrepreneurs indicate that they have experienced some difficulty in accessing the labour market, and consequently for them, starting an enterprise is a way to secure economic subsistence rather than the realisation of a specific professional interest. Research suggests a connection between the social and demographic backgrounds of entrepreneurs and their motivation to become self-employed. For instance, immigrant groups are described as being more weakly and unstably positioned on the local labour market than native groups, and overcoming such difficulties is considered a key factor motivating these groups to become self-employed (Baycan-Levent & Nijkamp, 2009; Kloosterman & van der Leun, 1999: 660). In Copenhagen, such findings can be backed up by statistics, as both unemployment and self-employment rates are higher amongst immigrant citizens in Copenhagen than amongst ethnic Danish citizens (Københavns Kommune, 2013)⁵. Just as there are differences between the motivation factors of immigrants and of native population groups, research indicates differences between genders and between different age groups (Stanworth and Curran, 1976; Osoba, 2015). Such findings exemplify the importance of paying attention to differences in the characteristics of entrepreneurs and of their situations. As the entrepreneurs interviewed in Bispebjerg form a highly diverse group in many respects (not just ethnicity, gender and age), their motivations for becoming self-employed may be equally diverse. As discussed in chapters 1 and 2, Bispebjerg is highly diverse in various ways (physical environment, resident composition, functionalities, etc.), and consequently, the characteristics of the area shape the opportunities for establishing different types of enterprises here, as well as the limitations. Accordingly, it is important to analyse the motivation of the entrepreneurs for choosing Bispebjerg as the location of their enterprises.

To sum up, this chapter will examine the main motivations of the entrepreneurs in establishing an enterprise, the source of support for starting it, and reasons for choosing to locate the enterprise in a diverse urban neighbourhood such as Bispebjerg.

3.2 Motivations for establishing a business

The entrepreneurs' motivations in starting their enterprises are as diverse as the group of entrepreneurs themselves, yet one common trait can be identified across the sample, in different variations: the entrepreneurs seem to share a positive attitude towards self-employment as a desirable mode of employment. One entrepreneur (R34) emphasises self-employment as the main reason for starting an enterprise, and he describes how he always knew that he wanted to become self-employed. To some degree, in fact, this mode of employment is more important to him than working within a certain sector. Nevertheless, the majority of the entrepreneurs who were interviewed consider self-employment *per se* as more of an underlying positive feature and perhaps as a prerequisite, rather than the main goal:

⁵ Such figures are mirrored on a national level, especially amongst immigrants of non-Western background (Danmarks Statistik, 2012: 36).

"Most likely, I have an entrepreneur in me, otherwise I wouldn't have done this, but I had never imagined myself becoming an entrepreneur before. Rather, it was my profession that started it, I found that I was good at something, and that I liked it and it made sense to me, and I just had a feeling that this was what I wanted to be doing" (R38, owner of a consultancy working with play activities for schools, kindergartens etc., 37, holds a master's degree).

A key factor in the vision of self-employment as a positive feature is the idea of being one's own boss. Many of the entrepreneurs emphasise running an enterprise on their own terms, organising work in their own ways and focusing on their own interests. Working as an employee, on the other hand, would not open up such opportunities, as one of the younger start-up entrepreneurs explains:

"That thing about being your own boss, you know. I felt like I had some ideas and thoughts and ways of doing things that wouldn't be realisable anywhere else, actually [than in his own enterprise]. And combined with the things I wanted to work with, then... I think that on the established labour market, it's all about competences and professional background, whereas I'm more comfortable working with, you know, cracks and crevices, and then trying to fill them with ideas and stuff like that – in a place where I can be part of deciding what would be fun to do and to work with" Partner in an urban foraging project enterprise (R25, 30s, holds a master's degree, has been an entrepreneur for ten years).

Some of the entrepreneurs described feeling uncomfortable with the normal educational system, whereas being an entrepreneur fitted better with their personal competences. Entrepreneurship as an alternative path for people who feel out of place on the ordinary labour market is a key approach in the Lab2400 Talents project in Bispebjerg, described in a previous DIVERCITIES report (Andersen et al., 2014b). Here, local maladjusted youths receive help and guidance in developing a business idea of their own. The goal of the project is to empower these young people and open their eyes to ways of making a living that offer an alternative to the regular educational system or labour market.

Whereas most entrepreneurs share a positive view of entrepreneurship as such, their main motivational factors differ substantially and can be divided roughly into four groups. Of course, more than one factor was in play in some cases. First, for a couple of entrepreneurs, the idea of creating a business which grows and expands was the main motivation. For these entrepreneurs, entrepreneurship as such is a key element, along with factors such as economic performance, growth, expansion, development and innovation. Standing out from the competition or discovering an unexploited market was often the starting point for such enterprises which subsequently developed into rather large and professionally managed businesses, for instance, a fast expanding IT firm with 100 employees and continuous economic growth (R27).

Second, for a handful of interviewees, becoming an entrepreneur was simply a matter of taking over and continuing the family business. These enterprises mostly belong to the category of *established enterprises reflecting Bispebjerg's history as an old working-class neighbourhood* (see Section 2.2). They are older, traditional enterprises with a long history in the area. For the entrepreneurs who were following in the family footsteps, the decision was not necessarily a thoroughly contemplated choice. Even though, they had not planned on entering the family business in some cases, their familiarity with the enterprise and affection for it made them do so after all. For others, on the other hand, taking over the family business was always on the cards:

"I have taken over the enterprise from my father who opened it 50 years ago. We just did the ordinary generational change. He became older, and then I could take over, you know, and he could cut back. So the reason why I'm here is probably a bit old-fashioned; my dad was a panel beater, so

I was going to be a panel beater as well” (R37, owner of an auto repair shop started up by his father around 50 years ago, male, 48, ethnic Danish background).

Third, the specific field or sector of the enterprise was the key motivating factor for a very large group of the entrepreneurs. These entrepreneurs had substantial professional or educational experience (or both) within the field, along with a strong personal interest in it, and they started their enterprises to realise a particular project or idea. In other words, their main motivating factor was not necessarily becoming self-employed; it was the line of business in itself. In some cases, starting an enterprise was a step-by-step process where the entrepreneurs began on a small scale, often alongside studies or paid employment, while gradually learning that there was a market for their service. In these cases, the personal interests and competences of the entrepreneurs were the pivotal elements that allowed the enterprises to grow. For some of these enterprises, connections with the public sector are relatively comprehensive, either in the form of grants and support programmes or in the form of public or semi-public sector actors who are clients of the enterprises. Consequently, political prioritisations and programmes impact the performance of such enterprises and can make them adjust or adapt their services (see Section 4.2 and Chapter 5). However, as these enterprises have been initiated on the basis of long-term professional experience or of the educational background of the entrepreneurs, the impact of political agendas and programmes on the initial choice of line of business is limited. Enterprises built on personal and professional interest in a specific field can all be categorised as either of two types outlined in Section 2.2: *established enterprises characterised by a high degree of professionalism* or *newer enterprises which are first-movers in Bispebjerg*. But besides sharing a solid professional or educational background and being motivated by a particular interest or project, the entrepreneurs behind such enterprises also share the same ethnic background: with very few exceptions, all of these entrepreneurs have Western backgrounds and are predominantly ethnic Danes.

Finally, the fourth main motivational factor can be identified in a smaller group of interviewed entrepreneurs for whom simply finding a way of making a living is the key motivational factor. Obtaining employment on the regular labour market had proved very difficult, and starting an enterprise was perceived as perhaps the only solution. The enterprises of these entrepreneurs can all be categorised either as *established immigrant enterprises with non-innovative services or products* or as *newer but non-innovative and non-explorative enterprises* (see Section 2.2). The enterprises are not necessarily highly profitable, and sometimes the turnover is only just enough for the entrepreneurs to sustain their households. The entrepreneurs are generally unskilled, and despite attending courses and working in internships, obtaining employment has proved impossible. These entrepreneurs have experienced great frustration, and to some, becoming financially independent of transfer payments and the public social sector was motivation enough to start an enterprise. These entrepreneurs are all of non-Western backgrounds (being either immigrants or descendants), and some of them feel discriminated against due to their ethnicity.

The division of entrepreneurs into groups based on their motivation for starting their enterprises leads to a key conclusion, one which was already indicated in Chapter 2. A distinction between types of enterprises can be identified along ethnic lines: differences exist between entrepreneurs of Western and primarily ethnic Danish, backgrounds, on the one hand, and entrepreneurs of non-Western and primarily Middle-Eastern or African backgrounds on the other. This finding will be elaborated upon in coming chapters. When starting the enterprise and choosing a line of business, this latter group of entrepreneurs were not following a personal interest or creating an innovative product. For some of these entrepreneurs, the line of business was determined by taking the opportunities which presented themselves, for instance when taking over a shop from a friend or relative looking to sell it:

“The man who owned the shop before me, I know him - he’s also from Iraq. I asked him to teach me the workings of being self-employed, the rules and systems, how to work. And he said ‘ok, you’re welcome to come here’. [...] I told him ‘when you become tired or want to change jobs, when you want to sell the shop... He said ‘ok, we have an agreement’” (R5, owner of newspaper shop, male, 57, Iraqi immigrant, unskilled).

Others chose a line of business similar to that of other entrepreneurs in their social network; for instance, several relatives of the owner of a greengrocer’s (R35) have similar shops in Copenhagen, making this line of business a familiar and safe choice for the entrepreneur. He could receive help and guidance when starting up. Yet again others chose the line of business on the basis of previous experience or education, even if it was very limited, such as short-term employment, or abandoned courses within a given field. Finally, a couple of entrepreneurs in this group used their own cultural background as a resource in entering a given field of business. For instance, a man of Iranian background chose to run a Persian carpet shop (R32): Despite being inexperienced in this line of business, he was able to use his own social network in Iran to learn about the traditional Persian carpet industry.

3.3 The importance of location and place diversity

Very few of the interviewed entrepreneurs have deliberately chosen Bispebjerg because of its diversity. The exceptions are related to the wide variety of people using the area regularly. First, for a couple of retail shops selling products from Middle-Eastern, African or Asian countries, Bispebjerg’s diversity of residents and visitors creates a large group of possible customers. These businesses target customers descending from Middle-Eastern, African or Asian countries as well as customers of an ethnic Danish background. To reach all these types of customers, the entrepreneurs have located their shop in an area which not only has an ethnically diverse population but is also known throughout the greater Copenhagen area as an ethnically diverse neighbourhood. In other words, being located in Bispebjerg widens their customer base. Such findings support arguments posed by Kloosterman & van der Leun (1999) claiming that certain areas provide the critical mass of customers for certain types of enterprises to succeed. However, only a couple of such entrepreneurs were aware of this and deliberately chose Bispebjerg for its ethnic diversity. One of them, the owner of a greengrocer’s shop, explains his reasons for locating it in Bispebjerg:

“The reason is that on this street people come from everywhere, so it’s a very busy area, I know so many people, Pakistanis, Indian people, Nepali people and also Danish, from everywhere! And from everywhere in Denmark” (R35, Pakistani background, owner of a greengrocer’s shop offering products from India, Pakistan, etc.).

The second case of entrepreneurs deliberately choosing Bispebjerg for the diversity of its residents and visitors is a new restaurant and bar in inner Nordvest (R26). While the enterprise largely caters to a very new group in Bispebjerg, namely, a younger and more urban clientele, its owner is highly aware of Bispebjerg’s history and is trying to widen the customer base to other groups as well and to reflect the local atmosphere of Nordvest in the style of the restaurant:

“I was certain that it was possible to create a mix, to keep some of the old, you know, the charm of a traditional Danish restaurant. I think that fits with Nordvest and the people living here. From the very beginning, we agreed that there would be no WIFI, no caffè lattes. Because Nørrebrogade [street in a hip district nearby] is full of that, and we don’t need that out here.[...] With this restaurant we’ve filled a gap, something that was missing, something which provides what I think Nordvest deserves” (R26, owner of a new restaurant and bar, trained in service management, female, 30, German background).

As a previous DIVERCITIES report (Beckman et al., 2015) has described, the arrival of a younger and more urban clientele in Bispebjerg is a rather new development which has changed the composition of people using the area. Furthermore, the young people who have moved to Bispebjerg perceive the area as containing very few cafés and bars targeted at their group. In other words, they constitute a new market which still has substantial room for expansion.

Besides these two ways in which entrepreneurs have specifically chosen to locate their enterprise in Bispebjerg because of its diversity, other factors were more important for the interviewed entrepreneurs. Though in a much more indirect way, these factors are also connected to the diversity of Bispebjerg. First, several enterprises need large-scale facilities, for instance for storage, and have settled in the former industrial areas of Bispebjerg where former warehouses and factories are located. Second, several enterprises are located in Bispebjerg because of the comparatively easy access to offices, workshops or shops. For instance, a woman starting up a small shop (R15) would have preferred a location in the neighbouring district Nørrebro, as she sells African products and this district is known as an ethnically diverse area of Copenhagen. However, Nørrebro has become very popular in recent years, so accessing available premises here is very difficult. Third, Bispebjerg is located close to important main roads and motorways and relatively close to Copenhagen city centre. Fourth, rent levels in Bispebjerg are relatively low compared with other districts in Copenhagen, especially the city centre. Altogether, Bispebjerg's physical, social and economic characteristics attract certain types of enterprises, even though these may perceive settling in Bispebjerg as quite coincidental, as they did not set out to find a place in this particular area in preference to others. In other words, for certain types of enterprises, Bispebjerg's diversity in terms of factors such as built environment, population, facilities, history, and image creates opportunities which are not present in other urban areas. Similar effects of Bispebjerg's diversity for attracting certain groups of residents to the area were identified in a previous DIVERCITIES report (Beckman et al., 2015).

Figure 4. Left: Retail shops on Frederikssundsvej (main shopping street) in Nordvest. Right: Large industrial building housing a television production company.



3.4 The availability of advice, start-up support and finance

Support has been crucial for several of the interviewed entrepreneurs in starting up their enterprises. First of all, several entrepreneurs needed financial support in the form of loans or grants, but, additionally, practical help and guidance has often been vital for the enterprises to start up and to sustain themselves. Several entrepreneurs mention receiving such non-financial support, though to varying extents. Non-financial support can include actions such as locating a space to rent, renovating or redecorating the physical facilities, helping mind the shop, designing a website for the enterprise, teaching the entrepreneurs relevant techniques or sharing knowledge about the particular line of business.

Financial support in the form of loans has played an important role for more than half of the entrepreneurs. However, very few have obtained bank loans, and the banks' reluctance to approve such loans is mentioned as the main reason for the rare occurrence of this solution. The financial crisis of 2008 is mentioned as having made this even more difficult. Instead, entrepreneurs have either saved up their own money or borrowed from relatives (typically close ones) or friends. Loans from friends and family have primarily been taken up by small single-person businesses within traditional retail or service sectors, such as hairdressers or dog grooming parlours, and these entrepreneurs are often women with unskilled or skilled backgrounds. They can be of ethnic Danish or ethnic minority backgrounds. Generally, such enterprises have needed limited amounts of money to start up, and entrepreneurs have typically combined their own investments with loans from family or friends so that they can take over a lease or purchase equipment and goods. In some cases, entrepreneurs have also received smaller loans for covering rents and other costs in periods of poor economic performance. However, other entrepreneurs have started up their enterprises solely using their own money; but in most cases, these enterprises started out on a small scale, for instance with only a few products, and the entrepreneurs worked without pay either from their own homes or in a shared low-rent office. In other words, entrepreneurs were able to keep expenses low until the enterprises started generating a profit. Such entrepreneurs are often highly educated and run enterprises based on consulting services or computer-based services, for instance website design, architectural work, and exercise consulting. In other words, their start up needed no fully equipped clinic or shop with a large stock of goods, and accordingly, only limited investment was necessary. By contrast, a local estate agent (R17) had to buy his agency from its previous owner and consequently needed much more capital; he invested all his savings, including his pension, in the enterprise.

However, a small group of entrepreneurs have received grants from public sector actors to start up their enterprise. These enterprises can all be categorised as *first-movers in Bispebjerg* (see Section 2.2.) and are new, small-scale partnerships in the urban development field, run by highly educated and rather young entrepreneurs. Grants have come from e.g. the Ministry of Environment or the local area-based regeneration project (see Section 4.4 and Chapter 5). The latter also provided guidance and assistance for the entrepreneurs in locating physical facilities and applying for other grants. Of course, these enterprises were granted public funding because their fields of activity matched political and administrative agendas, and additionally, as they most of them are non-profit enterprises, this may have helped to obtain funding as well. According to the entrepreneurs, however, navigating within the public system and knowing how to prepare applications for funding constituted a key challenge. Consequently, being acquainted with the workings of urban planning, public administration and similar instances was crucial for the success of these enterprises.

3.5 Conclusions

Chapter 3 has underlined the diversity of the entrepreneurs. Their backgrounds, resources and life situations vary immensely. Consequently, examining their various motivations for starting an enterprise and the different circumstances under which they have done this is critical for understanding the workings of entrepreneurship in Bispebjerg. Furthermore, as the area is highly diverse in various aspects, the composition of Bispebjerg's physical, social and economic characteristics shapes the opportunities and limitations of enterprises. Such circumstances shape the landscape of enterprises in the area.

This chapter has shown how some enterprises are based on the personal interests or the professional competences of the entrepreneur within a very specific field. Such enterprises tend to be either *first-movers in Bispebjerg* or *established enterprises characterised by a high degree of professionalism*.

By contrast, new or established small enterprises with non-innovative services or products tend to be simply a way of making a living for the entrepreneurs. Accessing the ordinary labour market has often been difficult, and consequently, these enterprises do not focus on realising an innovative project or a professional idea, but simply on securing economic subsistence. Nevertheless, it is important to note the differences which can be identified along ethnic lines: entrepreneurs of non-Western backgrounds tend to belong to the latter group, whereas entrepreneurs with ethnic Danish backgrounds tend to belong to the former. Such findings are in line with previous research on the field (e.g. Baycan-Levent & Nijkamp 2009; Kloosterman & van der Leun 1999). However, the ethno-cultural diversity of Bispebjerg is an important asset for enterprises offering products from foreign countries or targeting a customer base which is not predominantly ethnic Danish and includes ethnic minorities such as Asian or Middle-Eastern population groups. In this regard, however, it is important to note that only a few enterprises of these types were aware of such possible advantages in choosing Bispebjerg as their location. Finally, the chapter has shown how factors such as age and gender are of very little importance for differences in the motivations of these entrepreneurs as compared with factors like ethnicity, socio-economic background and previous work trajectories.

4. Economic performance and the role of urban diversity

4.1 Introduction

As has been established in Chapter 3, entrepreneurs have various reasons for starting an enterprise and for locating it in a diverse neighbourhood such as Bispebjerg. Chapter 4 will focus on the effects of this location on the economic performance of the enterprises. This chapter will examine factors affecting the success or failure of the enterprises and the role of the neighbourhood in this regard.

According to the literature, a key component in the performance of their enterprise is the capital of entrepreneurs, that is, their social and personal as well as professional capital. According to Schutjens & Völker (2010), the social capital of entrepreneurs positively affects the performance of their enterprise. This applies to local as well as more general social capital. For enterprises targeting local markets, local social capital is more important than general social capital. However, the higher the educational level of entrepreneurs, the more local social capital is found to decline. Such discrepancies illustrate the importance of paying attention to the personal characteristics of entrepreneurs, such as social capital, educational level, etc.. However, personal status and prestige have not been found to affect the economic performance of enterprises substantially; rather Schutjens & Völker (2010) point to entrepreneurial skills such as identifying challenges and strengths, possibilities for innovation and development, etc. Furthermore, the importance of the professional experience of entrepreneurs has been emphasised, especially in combination with local knowledge and social capital (Dahl & Sorenson, 2012; 2014). Activating the social capital of a local area and combining professional experience with local knowledge give entrepreneurs a powerful start. Furthermore, Dahl et al. (2005) underline the importance of professional networks and professional knowledge for the success of entrepreneurs, and they point to the advantages for new enterprises of being part of geographical clusters; here, start-up enterprises are found to be able to 'build upon' the success of existing enterprises (Dahl et al., 2005). In brief, entrepreneurial skills and professional experience along with social capital and knowledge of local markets and conditions are key elements to include when examining the economic performance of enterprises.

4.2 Economic performance of the enterprises

An examination of the economic performance of the enterprises covered by the interviews shows that making money is often not a goal in itself. There are exceptions, of course, as some entrepreneurs are driven by the idea of developing a business and seeing it expand. However, the main goal for most entrepreneurs is either simply making a living or working within a particular field or providing a particular service, as described in Chapter 3. Nevertheless, the economic performance of the interviewed enterprises differs substantially, as some are expanding and experiencing economic growth whereas others are barely making ends meet.

The *newer enterprises which are first-movers in Bispebjerg* (as outlined in Chapter 2) generally describe the economic performance of their enterprises as undergoing a positive development. Having experienced a rough beginning with deficits and the entrepreneurs working ‘for free’, the enterprises begin to generate profit after a while, and, in many cases, profits are increasing. The working conditions during the start-up phase underscore how these entrepreneurs are driven by a strong personal interest in and commitment to their enterprises. According to the entrepreneurs, there are two main reasons for their enterprises experiencing an upwards development. First, whether they provide a unique product or service, and second, whether their enterprises seem to fit a current trend or meet a current need. For instance, a shared-office space for students located in an old industrial building (R16) has a long waiting list. This attests to a large demand amongst students in Copenhagen for such a facility, yet the shared office in Bispebjerg is the only one of its kind throughout the city. In other words, providing a unique product or service which fills a gap and fits the zeitgeist is seen as a key factor for success. An interviewee elaborates:

“Sofie [the owner] is from this neighbourhood, and she came back here to teach the locals how to eat proper food, you know, some good salads and some home-cooked meals, Danish food with her own twist. She believes there is way too much junk food in this area. And it’s going very well; we’ve been here for seven years now, and we get a lot of support from the locals. [...] There are no other restaurants like this one in the area. None at all, actually” (R11, head waitress and relative of the owner of a restaurant and takeaway shop specialising in high-quality home-cooked meals).

Enterprises experiencing good performance with a stable profit predominantly belong to one of two categories outlined in Chapter 2: *established enterprises characterised by a high degree of professionalism* or *established enterprises reflecting Bispebjerg’s history as an old working-class neighbourhood*. The high-professionalism enterprises vary in size from single-person businesses to very large enterprises, and the latter have large annual turnovers, often exceeding €2 million. These entrepreneurs perceive a high standard of services and products as a key success factor, often in combination with a distinct profile in comparison with rival enterprises. The owners of the largest enterprises emphasise the importance of having a basic understanding of running an enterprise as a key factor determining success or failure. For the high-professionalism enterprises, the local area is of minor importance because customers can come from all across the region, from anywhere in the country or perhaps even from abroad. The strong connection to the surrounding world is underscored by the fact that structural external factors matter quite a lot to these enterprises. They can be affected, for instance, by markets going up and down, by the need to provide a stand-out product in an otherwise uniform market, and by public sector programmes and priorities (e.g. subsidy schemes for the construction industry). Additionally, the recession following the crisis of 2008 had a sizeable impact on several of these enterprises, causing a decline in their economic performance. Still, these setbacks were only temporary; performance is currently up again.

The *established enterprises reflecting Bispebjerg’s history as an old working-class neighbourhood* vary significantly in size and consequently in turnover and profit; however, they generally perform well

and economic growth is not necessary for their survival. For these enterprises, as for the high-professionalism enterprises, securing a stable and reasonable turnover is often more important than economic growth, and this is clearly reflected in their history and development. The entrepreneurs see the key factors for success as a solid professional standard and the establishment and maintenance of a good reputation, which can take time to build up. The latter is highlighted by enterprises across the different categories, especially those providing personal services such as hairdressers, physiotherapists or undertakers. For the traditional working-class style enterprises in particular, trust and familiarity are key words, and regular customers make up a large part of the clientele. The owner of a small hardware shop describes the key challenges and strengths of his enterprise:

“Large supermarket chains with thousands of shops can sometimes sell things at prices way below our wholesale cost prices, but on the other hand, they have very little knowledge of the products they sell, and besides that, you can never seem to find any shop assistants when you need them. But we, as a specialised shop, we study the products we sell, and over the years we’ve gained knowledge about the quality and durability of different products and so on. Of course, some people just buy whatever products are the cheapest but others value proper service and guidance...” (R31, owner of a hardware shop, has worked within the sector for decades, son of a self-employed hardware merchant).

A smaller group of entrepreneurs describe their economic performance as being on an acceptable level: their enterprises generate just enough for the entrepreneurs to make a living and make ends meet. Most of them belong to the category of *established immigrant enterprises with non-innovative services or products*, as these are established enterprises with a rather static approach or service and relatively stable economic performance. The owners have all been in the sector for several years, either because they have owned or worked in other similar enterprises or simply because their current enterprise has existed for a long time. In addition to their professional experience, these entrepreneurs generally have an opinion about how their enterprises stand out from the competition; for example, they might be located in a different area than similar shops. Standing out from the competition may be an asset for the enterprises in itself, but in addition, the entrepreneurs’ reflection upon the strengths and weaknesses of their enterprises may also be contributory to their success. Furthermore, they are aware that positive changes in the local area will benefit their own businesses: as many sell products of Middle-Eastern or Asian origin, the development of Bispebjerg into an area associated with ethno-cultural diversity attracts customers looking for such products.

Finally, a handful of enterprises are barely scraping by. This applies primarily to enterprises of the category *never but non-innovative and non-explorative enterprises*. These all lack sufficient customers to generate a profit large enough to make a living from the business, and the entrepreneurs express no concrete strategies for attracting more. However, it must be noted that the majority of these enterprises are very new, having existed for less than one year, and this may be an important reason for their struggles. Still, a common characteristic of the entrepreneurs is their lack of previous professional experience within their field of business. For instance, a 46-year-old woman has recently taken over the management of a shisha lounge (R28); however, her only prior experience in the restaurant business was managing a restaurant 15 years ago. By contrast, a 38 year old woman of Iranian origin who has worked in hairdresser’s shops for several years in Denmark and Iran (R18) has recently opened her own shop in Bispebjerg. It is already performing well economically, and has reached a level matching far more established enterprises. Such findings indicate the importance of relevant professional experience for successful entrepreneurship, as pointed out by Dahl & Sorenson (2014).

4.3 Markets, customers and suppliers

Whereas some enterprises have hardly any customers in the local area, others practically base all of their enterprise on local customers. These are more traditional and often small enterprises, including a newspaper shop, a traditional style pub and a hardware shop. The entrepreneurs typically consider their success to rely on service, presenting themselves with a friendly attitude to customers and enjoying a good reputation in the local area (see Section 4.2). Of course, being located in a diverse area can bring advantages as well as disadvantages, and this is the case for these enterprises. Often, they are relatively small enterprises with limited turnovers and limited possibilities for expansion. This is primarily due to the large groups of low-income residents in Bispebjerg. The purchasing power of these groups is relatively low, and this limits the economic performance of enterprises with a local customer group. On the other hand, however, such enterprises generally provide services or products which fit with the lifestyles, the tastes, *and the financial capacities* of these groups of residents. A local pub presents an illustrative example:

“The regulars, well, often they buy themselves a beer and then head over and get the newspaper, and then they come back here to read it and drink the beer. And it’s definitely locals. [...] Many of the locals in this area, you know, they live alone, they have very small flats, so the others here at the pub are their friends in a way, who they come down and chat with, you know, just being with other people, which they can’t do at home” (R36, owner of traditional Danish-style pub run by her family for 40 years).

Figure 5. Greengrocer’s in the Nordvest neighbourhood.



A different example of neighbourhood diversity benefitting enterprises with local customers is provided by enterprises that target ethnic minority groups (e.g. an Islamic clothes shop selling hijabs etc.) and enterprises offering products from foreign countries, such as a greengrocer’s selling Asian products. These entrepreneurs gain by locating their enterprises in an area which has an ethnically diverse population and is known as an ethnically diverse neighbourhood across the

greater Copenhagen area. This attracts customers looking for certain products. In other words, their location in Bispebjerg widens their customer base in terms of local customers as well as customers from the region in general. For instance, a Senegalese woman (R15) runs a shop with African specialities and explains that her customers include both Africans buying familiar household products from their home countries and ethnic Danes buying these products out of curiosity or because they have encountered them on travels in Africa. Altogether, the enterprises that base their clientele in the local area can predominantly be characterised as belonging to either *established enterprises reflecting Bispebjerg's history as an old working-class neighbourhood*, *established immigrant enterprises with non-innovative services or products* or *newer but non-innovative and non-explorative enterprises* (see Section 2.2). In contrast, there are hardly any enterprises belonging to the categories *established enterprises characterised by a high degree of professionalism* or *newer enterprises which are first-movers in Bispebjerg* which have a clientele based in the local area. However, one exception can be identified: the restaurants or cafés which fall under the category of first-mover enterprises. The diversity deriving from Bispebjerg's highly mixed housing stock opens up a market for everyday-style high-quality meals that offer value-for-money in targeting both lower and higher income groups living in Bispebjerg's various neighbourhoods. One example is a restaurant and takeaway shop (R11) which aims to provide a healthier and higher-quality alternative to the plethora of fast-food eateries in the area. Other enterprises benefit from the changing resident composition in Bispebjerg; for instance a coffee shop (R1) targets the new groups of young artists or creative professionals coming to the area.

In contrast to the enterprises that base their business on customers from the local area, other enterprises do not attempt to target local customers. The high-professionalism enterprises, especially the more modern-style ones, and the first-mover enterprises rarely base their clientele on the local area. In fact, the location of the enterprise is almost irrelevant to some of them because they primarily trade on the internet, work in wholesale or cater to large companies or public institutions located across the country or abroad. These enterprises are primarily located in Bispebjerg because of its spacious yet centrally located facilities at relatively low rent levels (see Section 3.3). For others, being located close to Copenhagen or in the Copenhagen region *is* of importance; either because they have built up a large professional network in the area, which is key to their sustainability, or because the Copenhagen area makes up their main market; for instance, the owner of a sound recording studio describes how his target group (musicians) primarily live in the city. Nonetheless, the clientele of these enterprises is not locally based, nor do they aim to attract local customer groups:

"Well, our clients are not located here; we're not based in this neighbourhood. To be honest, we might as well be located somewhere else. I mean, it's a nice area, it's not too posh and all that, but there are no commercial arguments for us to be located here" (R27, partner at large-scale IT firm, male, 49, higher-level education).

However, a local estate agent (R17) constitutes an exception amongst these types of enterprises. Of course, the local area is very important to the agency, because locals selling or buying homes make up a large customer group, but also because the area *itself* is in fact the product: According to the estate agent, the neighbourhood in itself is just as important as the properties for sale, if not more so. Vital factors here include the resident composition, the reputation, the physical environment, and the street life of the area. Consequently, the development of Bispebjerg, including its neighbourhood diversity, significantly affects the workings of this enterprise. In particular, the local estate agents stand to benefit from the attraction to the area of new groups such as students or families with children.

The interviewed entrepreneurs generally report going outside the local area for supplies for the enterprises, apart from their daily shopping for milk or toilet paper or buying their lunch at a

local sandwich shop. They often need specific products or services provided by relatively few suppliers; consequently, the likelihood of these being located in Bispebjerg is limited. For the entrepreneurs, the main aim is to find the best service or buy the best product, and enterprises often stick to the same suppliers, building up a relationship with them over time. In other words, the entrepreneurs see the location of their suppliers as less important than other considerations. As one entrepreneur points out, most products are ordered online and then delivered by post or a freight company, and delivery prices do not necessarily increase with physical distance. In fact, several entrepreneurs buy their products abroad. Still, according to a hardware merchant who has worked in the industry for several decades, the patterns of supply have changed: Previously, any neighbourhood would contain several local suppliers because the suppliers were small and relatively specialised, whereas today these have been replaced by larger and fewer suppliers which are not necessarily located in the nearest area.

4.4 Relations amongst entrepreneurs: Evidence of competition or cooperation?

The co-presence of several shops or businesses in the same area can be considered an advantage or a disadvantage for the enterprises located there. However, the general opinion amongst the interviewees in this study is that co-presence offers a clear advantage, as it attracts attention and potential customers to the area in which their enterprise is located. Moreover, enterprises in the area provide services or products which are different from each other, and consequently, they do not compete with each other. For instance, a physiotherapist underscores the value of being located close to other enterprises:

“It’s nice that there are several other enterprises located close-by, I think. It draws more people to the area. Someone once asked me, because a massage therapy clinic opened on this road, if I didn’t see it as competition, but I am of the opinion that things will pull each other up, you know, that we can support each other. And that will bring in more work for all of us” (R19, trained physiotherapist and acupuncturist, self-employed for nine years).

However, in cases where other enterprises providing the exact same product or service are located nearby, the entrepreneurs tend to view them as competition and are very aware of factors such as the price levels, service and product quality of their own enterprise in comparison with the others. However, since local networks of entrepreneurs are predominantly based on physical proximity and belonging to the same local environment rather than on similarity between the enterprises, relationships in networks do not normally become competitive.

Only a smaller share of the entrepreneurs network extensively with other entrepreneurs in their neighbourhood. In most cases, across different types of enterprises, entrepreneurs know of the other enterprises on the same street or in the vicinity: they recognise each other, they say hello when they meet, and perhaps they chat occasionally and use each other’s shops. For more extensive professional and social support, entrepreneurs tend to use former colleagues and school acquaintances or friends and relatives (in line with points made by Schutjens & Völker (2010)). In some cases, entrepreneurs barely know the faces or even the names of neighbouring enterprises. In other cases, networks are relatively extensive, and entrepreneurs help each other by directing customers to each other’s enterprises, for instance, mentioning the presence of a competent auto mechanic around the corner.

In two cases, however, comprehensive networks between local enterprises can be identified. The first is a group of enterprises located on the same premises in inner Nordvest. The local area-based regeneration project run by Copenhagen Municipality is also located in this property, and they administered the letting out of this formerly empty state-owned property on the basis of a strategy to attract small-scale creative entrepreneurs. Consequently, most enterprises on the property are start-ups working with some form of urban development project. The strategy of

the area-based regeneration project was to aid the redevelopment of the neighbourhood by establishing a creative epicentre in these former industrial buildings⁶ (Neighbourhood Plan 2013-2018). In other words, this cluster of small start-up enterprises within the same field is the result of municipal intervention. However, the enterprises themselves have gradually developed a community of interests and values between them:

‘It’s the idea of a partnership which is not based on the exchange of services and fees, like with clients or for consultants, but we are building up a relationship; we have chats over coffee, we exchange thoughts and ideas, and then things like joint projects can evolve from that and so on. Such things take time, but step by step you get a feeling of who each of us is and what we do’ (R25, partner in an urban foraging project enterprise, higher-level education, 30s, ethnic Danish background).

The second example of a comprehensive network of local enterprises is that of a courtyard in inner Nordvest housing a handful of creative high-professionalism enterprises. A cluster of creative enterprises has developed around Rentemestervej, the road on which this property is located. Some of the enterprises are in the start-up phase and some are more established. As will be elaborated upon in Chapter 5, the strategy of Copenhagen Municipality is to support a so-called creative zone around Rentemestervej, although it did not start as a result of municipal action. All interviewed enterprises located around this road seem to have some form of contact with other local enterprises, though to various extents, and the courtyard mentioned above represents a very comprehensive network between the enterprises. In comparison with the network of small-scale start-ups described in the previous paragraph, however, the enterprises located in the Rentemestervej courtyard are more established and characterised by a high degree of professionalism (see categories in Chapter 2). Consequently, they do not use each other for sparring regarding entrepreneurship and finding one’s way in the industry, etc. Rather, the enterprises help each other with practical matters and they socialise, for instance, they eat lunch together in the courtyard. Additionally, they organise joint Christmas fairs, warehouse sales, etc. which offer products from several brands at one event. In this way, this cluster of enterprises from roughly the same sector helps attract a larger group of customers.

Despite the existence of such informal networks between local enterprises, most entrepreneurs report that their networks with other local enterprises are relatively limited. Furthermore, unlike other districts in Copenhagen, Bispebjerg can boast no formal networks such as local trade associations. According to the local council in Bispebjerg⁷, attempts have previously been made by Copenhagen Municipality to organise especially low-turnover single-person businesses (such as greengrocer’s or newspaper shops) in an association. In line with the points made in sections 2.2 and 4.2 of this report, however, the financial strain of making ends meet were too large for these entrepreneurs to focus on anything other than running their enterprises. Furthermore, immigrant entrepreneurs from different cultural backgrounds were unfamiliar with the purpose and norms of associations, and this was found to make entrepreneurs hesitant about engaging in formal networks⁸. Rather, interviewed municipal staff perceived the networks in Bispebjerg in a similar way to the interviewed entrepreneurs themselves; namely, very few comprehensive networks between local entrepreneurs can be found, and the only type of networks currently emerging in the area involve small communities of creative start-up enterprises, often in the form of shared offices or the like.

⁶ See Chapter 5 for more on such public initiatives.

⁷ See a former DIVERCITIES report for information on the government structures of Copenhagen (Andersen et al., 2014a).

⁸ Similar cultural challenges regarding club life and organisations are discussed in previous DIVERCITIES-reports (Andersen et al., 2014b; Beckman et al., 2015).

4.5 Long-term plans and expectations of the entrepreneurs

The plans of the entrepreneurs for the future of their enterprises differ markedly. In a handful of smaller enterprises typically within the traditional sectors, entrepreneurs plan on winding up the enterprises within a foreseeable future as they are approaching retirement age. Apart from these, the entrepreneurs wish to continue running their enterprises in the future. However, while some have comprehensive plans for development or expansion, others wish to continue in their current form of business. Generally, the latter are primarily entrepreneurs who are satisfied with the current state of their enterprise, its performance, its size, its organisation and the scope of its activities. Expansion in terms of markets, products, turnover or staff is not considered a goal in itself. These enterprises have typically existed for a decade or longer and have become quite well established within their field. Their customer base is solid, and their economic performance is generally good. However, a couple of entrepreneurs primarily run their enterprises to make a living and to avoid living off benefit payments. Consequently, they have no larger-scale strategies for expansion or development, even though they sometimes struggle to make ends meet. A woman running a small sewing business and clothing shop explains:

“I’ll always dream about really learning how to cut up fabric and make clothing, but that won’t do here, because tailored clothes are very expensive, you know. [...] I just wanted to get away from the social assistance system [when starting the enterprise], I wanted to work for myself, and I never wanted to have to apply for cash benefits again” (R33, owner of an Islam clothes shop and sewing business, female, 35, unskilled, of Iraqi background).

However, about half of the interviewed entrepreneurs have concrete plans for developing their enterprise in one way or another. The newer enterprises that still perceive themselves to be in the establishment phase consider it crucial to be continuously developing and evolving. These are primarily first-mover enterprises (see Section 2.2), and strengthening the foundation of the enterprise along with developing or expanding its services is central to the current work of these entrepreneurs. For instance, they aim at switching from part-time to full-time self-employment, engaging paid employees, expanding the enterprise to markets abroad, improving the physical facilities of the enterprise or developing the services provided to include more functions or new ones. Some of these plans are already being implemented, while others have been put on hold until the entrepreneurs consider the enterprise more stably established. However, the plans are considered to be a realistic next step.

For a couple of the more non-innovative start-up enterprises, namely, small retail shops which have only recently opened, ideas about expanding the products offered are more dreams and wishes for the future rather than scheduled next steps. Given that these shops have only been open for a few months, getting the business ‘up-and-running’ and testing the market are currently these entrepreneurs’ main foci. The possibilities for realising their future dreams have not been examined. The more established and typically larger enterprises, on the other hand, are already implementing strategies for expansion. These are predominantly high-professionalism enterprises, and several of them are run by entrepreneurs with a clear taste for entrepreneurship. For instance, the owner of a relatively large company within the entertainment industry (R9) has started several enterprises over the years and is constantly looking for new business ideas to develop. Typically, the enterprises are already experiencing economic growth, some at a fast pace, and their current plans include opening new branches, expanding their businesses to foreign markets and engaging in new fields of business. For instance, the owner of an interior design company has also engaged in property leasing and development and is continuously expanding his portfolio:

“We’ve turned our attention to this large building which has a lot of galleries on one floor, and then we’ll establish an office hotel as well and then a restaurant at the ground floor, a large restaurant,

and some more galleries” (R8, owner of an interior design company, male, 44, ethnic Danish background, also runs a couple of property leasing companies).

Altogether, the future plans of the interviewed entrepreneurs address the concrete products and services of their enterprises and the markets and clientele targeted. As regards these plans, however, being located in a high-diversity neighbourhood is of little importance. Though some entrepreneurs do express an interest in becoming more involved in the local area, their reasons for this relate to ideas of ‘giving something back’ to the neighbourhood in which they work or live; for example, a gallerist is looking to include local youths in the creation of artworks in an attempt to cut across ethnic, religious and socioeconomic divides in the local area. In other words, such interests in local involvement are ideologically or personally motivated and are not thought of as improving the competitiveness or the performance of the enterprises.

4.6 Conclusions

Chapter 4 has examined the factors affecting the success or failure of the enterprises and the role of neighbourhood diversity in this regard. The chapter has shown how solid professional experience within the particular field is important; especially to entrepreneurs with more established enterprises when it comes to maintaining a solid and stable economic performance. Such experience can come from education or be built up through long-term work experience. For start-up enterprises or enterprises looking to develop or expand, on the other hand, innovative thinking plays a key role.

Consistent with research on the economic performance of enterprises, the chapter has highlighted the importance of the social capital of entrepreneurs. The potential of comprehensive local networks between entrepreneurs has been accentuated. Such networks can function not only as communities of interests and fora for the support and exchange of ideas, but also as attractors of customers to the area; that is, clusters of successful enterprises within the same sectors can draw attention to the area. However, such comprehensive and advantageous networks are very rarely found amongst the interviewed entrepreneurs. Two explanations for this present themselves. First, a certain amount of similarity between the fields of business, business activities or professions of the entrepreneurs appears to be a prerequisite if such comprehensive networks are to be developed. Second, the enterprises seem to need a high degree of physical density to develop networks, for instance, they might share the same building and outdoor facilities. However, the support and networks of most entrepreneurs tend to be based on personal contacts with family members, friends or acquaintances rather than on other local entrepreneurs (though these overlap in some cases). In other words, the social capital of entrepreneurs is primarily independent of the local area, even though it can provide crucial support and backup, especially when entrepreneurs are starting up their enterprises.

Yet, despite holding valuable social capital, not all entrepreneurs are successful in their entrepreneurship. The economic performance of small yet traditional and non-innovative start-up enterprises in Bispebjerg seems to be barely adequate for the entrepreneurs to make ends meet, yet no strategies for improving this performance are being undertaken. On the one hand, locating their enterprises in Bispebjerg seems to provide these entrepreneurs with a local customer base; on the other hand, their chosen line of business seems to limit their possibilities for development, innovation and growth. Furthermore, and in line with the literature, the chapter has shown the importance of entrepreneurial skills such as the ability to foresee and handle challenges as well as to identify innovative potential and possibilities. Not all entrepreneurs have such skills.

All in all, Bispebjerg opens up possibilities for small, low-turnover enterprises to start up in low-rent, small-scale spaces. At the same time, large-scale facilities are available in old factories and

workshops. Furthermore, the area has a central location close to Copenhagen city centre. Finally, the diversity of people living in and visiting Bispebjerg forms a highly mixed group of possible customers for enterprises targeting local trade. Together, these factors shape the opportunities for enterprises and interact with the resources and capital available to the entrepreneurs themselves.

5. Institutional support and government policies

5.1 Introduction

The attitude and policies of the public sector and NGOs at city, regional and state levels shape the conditions under which entrepreneurs initiate and subsequently run their enterprises. Especially in Denmark, where the public sector is large compared with other countries, it is important to analyse both the approach of local and central government actors to enterprises and the contribution of policies, initiatives and organisations to the economic performance of enterprises. According to the literature, policies aimed at realising the economic advantages of urban diversity generally present a narrow understanding of population diversity, and, as a consequence, they solely focus on higher-skilled and higher income groups (Syrett & Sepulveda, 2011). Furthermore, existing research points to the potential of entrepreneurship as a way out of long-term unemployment, especially for ethnic minority population groups (Collins, 2003; Ram & Jones, 2008). Given the possible positive effects of policies on the rates of formation and success of enterprises and the possible effects on the neighbourhood of these enterprises, Kloosterman and van der Leun (1999) find it problematic that there are so few policies dealing directly with ethnic enterprises and their limited success in improving the conditions of success and sustainability. To analyse the context of entrepreneurship in Bispebjerg, Chapter 5 will examine the entrepreneurs' perceptions of various policies and organisations, their contributions to entrepreneurship, and the requests of the entrepreneurs for policy priorities.

As mentioned in previous chapters of this report, Copenhagen Municipality is the primary government actor at city level for urban planning, the regulation of property use and the management of practical conditions in the city. National-level government actors, on the other hand, are in charge of legislation governing employment, taxes, finances, etc. These are the public sector actors that have the greatest impact on running an enterprise in Copenhagen, as regional and neighbourhood level actors have limited decision-making authority with regards to enterprises⁹. A few factors must be listed regarding the political context for enterprises in Bispebjerg: First, an area-based regeneration project is underway in the Fuglekvarteret neighbourhood. This five-year project is run by Copenhagen Municipality, and its overall policies and strategies are laid out by the city council, yet the policies and strategies are implemented by a project team that is physically present in the area. The purpose of the project is to improve the social, physical and cultural environment of a deprived neighbourhood (Neighbourhood Plan 2013-2018). Though entrepreneurship is not a key focus area of this project, the strategy includes supporting creative enterprises and enterprises with a social purpose. Second, the area around Rentemestervej Street in Bispebjerg has been designated a 'creative zone' as part of a city-wide municipal strategy aimed at preserving urban areas with a distinct physical character and with attractive conditions for start-up entrepreneurs. The area in Bispebjerg has been selected for its old factories and workshops, which offer low-rent facilities for businesses. In all creative zones,

⁹ See a previous DIVERCITIES report for more on the governmental and administrative system in Denmark and Copenhagen (Andersen et al., 2014a).

Copenhagen Municipality has set the maximum plot ratios¹⁰ at 60% to ensure that plots are unattractive for the construction of new buildings and to preserve the existing building stock and low rent levels (Addition no. 29 to City Plan 2011, Creative Zones). Third, unlike other districts in Copenhagen, no specific strategy has been formulated by the municipality for the development of enterprises and business life in Bispebjerg. According to administrative officers of the local council and Business House Copenhagen and according to policy documents (Planning for business development in Copenhagen; City Plan 2011), no initiatives or strategies for promoting certain types of enterprises or sectors (besides the two already mentioned) are being undertaken. Consequently, the enterprise landscape in Bispebjerg today is not a result of political strategies or policies at neighbourhood level. Rather, the administration of enterprises and the management of applications, regulations, etc. occur at city level. In terms of guidance for and communication with enterprises across the city, Business House Copenhagen is the responsible municipal actor.

Figure 6. The street Rentemestervej contains a mix of workshops and production sites along with transformed factories, creative businesses, newly constructed owner-occupied housing, public institutions and cultural organisations.



5.2 Views on the effectiveness of business support provided by local and central governments

A good portion of the entrepreneurs report about good experiences with local government actors, the main actor being Copenhagen Municipality. This typically applies in cases where entrepreneurs have built up relationships with concrete individuals. However, the majority of the entrepreneurs also have critical comments about public sector actors and their cooperation with them. Such comments apply to state-level actors and national authorities, e.g. government

¹⁰ Plot ratio is the size of a building relative to the size of the plot on which it is located. In Denmark, limitations on plot ratios are set by legislation depending on the type of land, its surroundings and the purpose of the building.

ministries and agencies, as well as to city-level actors, primarily Copenhagen Municipality. The most prominent point made by entrepreneurs is that they consider the public sector to be a slow, ineffective and bureaucratic administrative system. In terms of setting the conditions for running an enterprise, authorities are perceived as either passive and lacking in initiative, or they are seen as almost obstructive towards entrepreneurship. Instead of communicating expectations and demands beforehand, to inexperienced start-up entrepreneurs in particular, authorities are perceived to be focusing on the collection of fees and the pointing out of violation of rules. Public sector actors are described as being uncooperative and unaccommodating towards entrepreneurs, almost attempting to obstruct them rather than being encouraging and supportive of their efforts. A local property developer and company owner is very pronounced in his criticism:

“We do a lot for this neighbourhood, you know, we’ve created 100 jobs here, and we spend a lot of money on renovating buildings and creating jobs, and all we get in return is a long list of points to take note of, all sorts of things about fire precautions and smoke detectors and; you know the crossfit gym over there [of which he is the landlord], I mean, crossfit’s all about running back and forth, and we were obliged to install a disabled persons toilet. I don’t know how many disabled people do crossfit. That doesn’t add up at all, there ought to be some sort of exemption, and it should receive prompt attention. But it just doesn’t. [...] The authorities really ought to come out here and say ‘oh, we see you’ve bought these premises, how can we help you develop them and attract people to the neighbourhood?’ We see nothing of that. Only a long list of points to take note of” (R8, owner of property leasing companies and an interior design company, male, 44, higher-level education, ethnic Danish background).

A young entrepreneur (R16) explains how she and her partner used substantial resources over a long period of time on contacting one politician or administrative officer after the other to convince them of the advantages involved in their business project. She perceives such circumstances to be highly excluding as they will most likely cause many entrepreneurs to simply give up and abandon their projects.

Though the degree to which entrepreneurs express critical views on public authorities varies, such views can be found across different types of enterprises in terms of sector, organisation, size, turnover and characteristics of the entrepreneur. However, no entrepreneurs of an ethnic minority background express such views. Generally, they tend to say only little about public authority attitude towards enterprises, and as several of them express limited knowledge of public sector actors in general, this may explain why; that is, a certain amount of knowledge about the workings of the public system is of course a prerequisite for criticising it. Furthermore, for several of these entrepreneurs, the motivation to become self-employed was driven by a wish to escape welfare benefits and the social security system. Consequently, looking to the public sector for support for their enterprises may seem highly unappealing.

5.3 Wider awareness of organisations, programmes and initiatives to support entrepreneurs

Around two thirds of the enterprises interviewed are members of or in some way involved in associations, organisations, networks, programmes or initiatives related to entrepreneurship or the running of an enterprise. However, only around one in six enterprises is involved in activities at city or neighbourhood level.

Two types of local level (city level or lower) involvement can be identified: First, some enterprises have been comprehensively engaged in entrepreneurship programmes or courses or close cooperation with Copenhagen Municipality. All of these are new enterprises which can be categorised as *first-movers in Bispebjerg* (see Section 2.2). They are run by young people with higher

education backgrounds, and most of the enterprises operate within the urban development sector. To most of these enterprises, cooperation and contact with local authorities has been a key component from the outset, and the entrepreneurs have quite a large amount of knowledge about the existence of public sector programmes and funding for entrepreneurs. The majority of the enterprises are located in the same building in inner Nordvest. As mentioned in Section 4.4, the local area-based regeneration project is located here as well and has been active in attracting certain types of enterprises to the area, reflecting a strategy of improving the neighbourhood by drawing in creative entrepreneurial resources. The initiatives in which these enterprises have been involved are predominantly at city or regional levels, with the exception of the local area-based regeneration project at neighbourhood level. Initiatives have focused on the building up of an enterprise from the development of ideas, concepts, products, services and the organisation and structure of the enterprise to the legal and financial issues involved. Entrepreneurs perceive such programmes and support to be mostly, though not exclusively, of good value and quality. The programmes and counselling services to entrepreneurs offered by Væksthus Copenhagen, a free public-sector initiative provided by the Copenhagen Region, are examples of this. Concrete personal relations with public sector staff, e.g. administrative officers at the municipality, are accentuated by these entrepreneurs as highly valuable. However, criticism of public-sector actors as being rigid and unrealistic in their perceptions of entrepreneurship is voiced by some of these enterprises as well, especially with regard to Copenhagen Municipality. Criticism typically concerns counselling and guidance perceived as irrelevant to these enterprises.

Second, two well-established enterprises have been involved in various initiatives regarding entrepreneurship and neighbourhood development functioning as advisors, resources, committee members, etc. While one of these is a more traditional family-owned glazier workshop and the other is a fast-growing IT firm, they are both large enterprises in terms of number of employees, facilities, portfolios, performance, etc., and are solidly established companies. Even though these entrepreneurs give accounts in line with those mentioned above of negative experiences from cooperating with public sector actors, the idea of engaging in issues of neighbourhood development and the running of enterprises as well as offering their support and resources to others is important to them.

However, the remaining entrepreneurs that were interviewed did not report any involvement in programmes, organisations or initiatives with entrepreneurship at a local level. A couple of the *high-professionalism enterprises* (see Section 2.2) are quite involved in national trade associations, such as The Danish Association of Funeral Directors, or business networks, such as Women's Enterprise. The main motivation for their involvement in such associations or initiatives is the access to valuable networks of enterprises in similar sectors or to other company managers. These enterprises are all well-established; consequently, programmes on entrepreneurship or courses on running an enterprise are regarded as less relevant. Rather, the networks, the exchange of experiences and the discussions with peers in similar situations or positions are considered to be valuable. Yet, to these enterprises, as to those involved in local-level initiatives, involvement in such activities takes time and resources which have to be taken from the daily management of the enterprise. This applies regardless of their situation as well-established or new enterprises. In other words, the value of such engagement must (more than) make up for the possible loss of time and money suffered by the enterprise.

Besides these enterprises, a number of the remainder are members of national level associations, typically trade associations. Their level of involvement is limited, however, and more than a third of the enterprises interviewed are in fact not members of any associations or involved in any programmes or initiatives. Different reasons for this can be identified: First, some entrepreneurs do not feel a need for affiliation with an organisation or other body. Therefore, they have not

looked into the options. Second, a small group of entrepreneurs in small, single-person enterprises express limited knowledge of existing associations, programmes, etc. These are primarily women of immigrant backgrounds with limited educational or professional experience in Denmark; they are challenged by the Danish language as they arrived in the country at adult age, and consequently, their knowledge of the public sector and the organisation of trade associations etc. in Denmark is limited. Some express a reserved attitude, but most of these entrepreneurs are positive towards becoming engaged in relevant programmes or organisations. However, they cannot find the resources to explore the options that exist or the operations of these. To these entrepreneurs, keeping the enterprise afloat and making ends meet financially are daily challenges which take up all their time and resources. Finally and thirdly, a relatively large group of entrepreneurs express reservations about the quality and relevance of existing associations, programmes, etc. Some regret this, as they would like to become more affiliated with relevant networks or receive useful support from trade associations or the public sector; others consider their own personal and professional networks and contacts along with their own professional experience to be sufficient for their enterprise to be successful. To this latter group of entrepreneurs, being a self-made person and an architect of one's own fortune are valued qualities, and these entrepreneurs tend to express strong criticisms of public sector actors (see sections 5.2 and 5.4).

5.4 Policy priorities for entrepreneurship

Around half of the entrepreneurs have no comments on such subjects as requests, wishes and demands for public sector involvement. The reason may be that they do not feel a need for support by the public sector, or that such concepts are distant from their daily lives. The other half of the entrepreneurs expresses three main lines of requests: first, in line with the criticism referred to in Section 5.2, several entrepreneurs perceive public authorities to have an almost restrictive impact on entrepreneurship. A more flexible and less rigid and bureaucratic approach towards enterprises is sought after, for instance in terms of improved cooperation, a more accommodating approach, faster and more effective processing of applications, etc. and a more transparent and easily accessible administrative system. Furthermore, the simplification and reduction of rules and regulations are suggested. Understanding such procedures may be highly complicated, and the procedures are perceived to be unnecessarily limiting and sometimes even obstructive to the running of an enterprise.

Second, some of the newer enterprises have been missing more general and overall guidance on the practical, legal, financial and formal matters regarding the starting up of an enterprise. Becoming acquainted with and navigating in the complex field of legislation, regulations and formal requirements regarding the running of an enterprise is perceived as highly demanding, and many inexperienced start-up entrepreneurs find it impossible to get an overall view of this field. Consequently, programmes or courses on these issues are requested. These may be either general guidance packages covering all aspects of entrepreneurship, or easily accessible, compact courses on for instance legal and administrative requirements. Some of the start-up entrepreneurs that were interviewed had attended programmes and courses offered by initiatives such as Vaeksthus Copenhagen or Business House Copenhagen (see Section 5.3.), whereas others perceived such initiatives to be non-existent. This observation is both interesting and important to note. Whether the latter entrepreneurs felt that the initiatives available were not relevant to them or of poor quality, or whether they were not aware of their existence when starting up an enterprise, it is important to note that such programmes and initiatives for entrepreneurship have not provided support to all entrepreneurs in their starting-up phases.

Third, a request brought forward by some of the more established enterprises aiming at expansion and economic growth (mostly larger, high-professionalism enterprises) is that local

authorities, for instance Copenhagen Municipality, should function as a catalyst. They should engage actively in boosting enterprises within a particular neighbourhood, sector or of a particular type, for instance. In this regard, focus should not be on guidance and consultancy in a start-up phase, for instance, but rather on the boosting of already functioning enterprises:

“It wouldn’t hurt the municipality to send out some notification once a year or arrange a conference or something else, like an event, you know, something which signals ‘let’s create growth together, let’s create an environment which brings together all the key persons of business life here in Nordvest’; who knows, maybe it will generate even more business. It would be so easy for the municipality to do so, like, every six months or once a year; they don’t do anything, we never hear anything about that. I really think that’s a pity” (R34, partner in a graphic design and printing service enterprise, 31, higher-level education, Danish-Palestinian background).

5.5 Conclusions

In the shaping of the conditions and possibilities for the formation and the success of enterprises in an urban neighbourhood, government policies, attitudes and initiatives are of great importance. Chapter 5 has analysed the context in which the interviewed entrepreneurs are running their enterprises in Bispebjerg. A key conclusion is the relatively widespread criticism of the public sector approach to enterprises in general. Whether national or at city level, government actors are perceived as bureaucratic, ineffective and unaccommodating, in some cases almost obstructive rather than cooperative towards entrepreneurs. Focus is perceived to be on rules, regulations and fees rather than on communication, initiative and encouragement. Entrepreneurs call for public sector actors, especially Copenhagen Municipality, to take on a catalyst role instead, aiming to boost business life in Bispebjerg to the benefit of common interests. Given the comprehensive role played by the public sector in Denmark as compared with other countries, such criticism must be taken seriously.

Another important finding is the significant differences that exist in the entrepreneurs’ degree of acquaintance with public and semi-public sector actors, initiatives, etc. Their participation in programmes or associations and their knowledge about the public sector and NGOs all vary substantially. In combination with an analysis of existing policies on entrepreneurship in Bispebjerg, such findings lead to the conclusion that while some types of enterprises receive substantial attention and support from public programmes and policies, others receive none. This chapter has shown how small start-up enterprises run by highly educated entrepreneurs in particular have participated in and are familiar with various programmes, courses and networks related to entrepreneurship. Furthermore, their location in Bispebjerg is supported by municipal policies for attracting such creative resources to the neighbourhood. On the other hand, some enterprises, especially small retail and service businesses run by ethnic minority citizens with limited educational and professional experience do not receive any particular attention by public sector strategies or policies. Furthermore, given their immigrant backgrounds, these entrepreneurs often have limited knowledge of trade associations, public support programmes, courses or other initiatives aimed at entrepreneurs. Such findings reflect arguments found in existing literature (Kloosterman & van der Leun, 1999; Syrett & Sepulveda, 2011) arguing that policies for entrepreneurship in diverse urban contexts often focus solely on higher skilled and higher income population groups rather than on more disadvantaged groups.

The findings in Chapter 5 bring out a key discussion point regarding the government of urban diversity and entrepreneurship: Policies and approaches of government actors must be flexible and sufficiently open for creativity and entrepreneurial initiative to flourish, while at the same time they must provide a framework of regulations and policies which supports the less resourceful and allows for the weaker voices to be heard.

6. Conclusion

6.1 Summary of the key findings

The purpose of this report was to examine the relationship between urban diversity and the success of entrepreneurs by investigating how neighbourhoods can provide the conditions for supporting entrepreneurship and enhancing economic performance. The report analyses factors influencing the economic performance of enterprises, such as the backgrounds of the entrepreneurs, the circumstances under which enterprises are started up, the role of market conditions and of policies and organisations targeted at enterprises. The analyses have focused on the role of neighbourhood diversity in this regard.

Taking the area of Bispebjerg in Copenhagen, Denmark, as a case study area, the report has examined a wide variety of enterprises located in a highly diverse – and diversifying – urban environment. The characteristics of Bispebjerg, its position relative to other areas in Copenhagen, and the developments taking place in the area all shape its enterprise landscape and the conditions under which local enterprises function. Four main aspects can be identified: First, Bispebjerg is an old working-class neighbourhood, which during the latter half of the 20th century developed into a relatively troubled part of Copenhagen with a large proportion of disadvantaged residents and relatively worn-down physical facilities. Yet, second, the area is centrally located, close to Copenhagen city centre, and in combination with the comparatively low rent levels and the stock of larger-scale premises, Bispebjerg attracts a wide variety of enterprises. These include professional and larger-scale businesses as well as small-scale businesses and start-ups. Third, over the last 30-40 years, the ethno-cultural mix of residents and enterprises in Bispebjerg has steadily increased and further added to the diversification of the area. Fourth, Bispebjerg's old industrial buildings attract enterprises from a wide variety of sectors, ranging from production companies over workshops and skilled trades to creative industry businesses.

In the analysis, five ideal types of enterprises were identified: enterprises reflecting Bispebjerg's history as an old working-class neighbourhood; enterprises characterised by a high degree of professionalism; immigrant enterprises with non-innovative services or products; first-mover enterprises in Bispebjerg; and finally, non-innovative and non-explorative enterprises. The first three types of enterprises are more established, whereas the last two types are newer enterprises. Altogether, the analysis showed the diversity of enterprises and entrepreneurs in Bispebjerg in terms of enterprise types, sectors, their organisation, size, turnovers, history and performance, and the approaches of the entrepreneurs to the running of an enterprise along with their social, demographic, economic, ethnic, cultural, professional and educational backgrounds, their life situations, previous experience, motivations for becoming an entrepreneur etc.

The large differences between entrepreneurs exert a great impact on the economic performance of their enterprises. Relevant knowledge, experience and skills are particularly important factors for success; i.e. knowledge about the elements involved in the running of a business, about the market in which an enterprise situates itself and its relative position to competition, and about the context of the enterprise in terms of structural conditions of the surrounding society at various levels. These findings are in line with arguments put forward by the literature (Schutjens & Völker, 2010; Dahl & Sorenson, 2012; 2014). Such competences can be generated in different ways: through previous experience within the field, previous experience with entrepreneurship and running a business, local knowledge, social capital (in some cases in the local area, in others within the sector) or through relevant education. Accordingly, the ways in which entrepreneurs have obtained their competences and the types of competences on which they base their

enterprises vary. For instance, some of the younger highly-educated start-up enterprises are primarily based on the skills acquired by the entrepreneurs through their education, whereas the entrepreneurs who have taken over a family business primarily base their performance on knowledge and skills obtained through long-term practical and personal experience with this particular enterprise.

Figure 7. Newspaper shop on large main road in Bispebjerg.



However, some entrepreneurs possess only very few of the competences that have a positive impact on the economic performance of their enterprises. Consequently, they are struggling to make ends meet. This applies in particular to entrepreneurs lacking knowledge about the structural conditions and societal context of their enterprise; that is, legislation and procedures, finances, expenses and taxes, public sector actors and relevant policies, market and customers, local environment, social and cultural context, etc. These entrepreneurs are all first-generation immigrants, and they originate in countries which are very different from Denmark in terms of socio-political organisation, governance, culture etc. The analysis shows how such lack of familiarity becomes a disadvantage for these entrepreneurs. For instance, hesitance and, in some cases, dismissiveness towards trade associations or towards the public sector may prevent entrepreneurs from benefitting from networks and associations, support programmes and policies etc. In other cases, entrepreneurs offering products from foreign regions or targeting ethnic minority customer groups may benefit from being located in an ethno-culturally diverse area like Bispebjerg; however, these entrepreneurs have very rarely been aware of such advantages and have not used them strategically in their businesses. These findings all support arguments of existing literature (Baycan-Levent & Nijkamp, 2009; Dahl et al., 2005; Dahl & Sorenson, 2012; 2014; Schutjens & Völker, 2010). Addressing such financial struggles of many enterprises run by immigrant entrepreneurs is important. However, the report has shown how no policies or programmes are directed at this particular group of entrepreneurs, and considering their limited contact with public or semi-public sector actors on their own initiative, these entrepreneurs receive hardly any support for their enterprises. Furthermore, the report has shown how the motivation for these entrepreneurs to start an enterprise is often to escape long-term

unemployment and financial dependence on welfare benefits. This means that their life situations will become critical if their enterprises are struggling economically, as pointed out in existing literature (Baycan-Levent & Nijkamp, 2009; Collins, 2003; Ram & Jones, 2008; Osoba, 2015). In other words, success is imperative.

In contrast to enterprises with hardly any contact with public sector actors in terms of support for entrepreneurship, others receive substantial attention and support, especially small start-up enterprises run by highly educated entrepreneurs. Many have participated in courses, programmes and networks, and furthermore, the settling in Bispebjerg of some of these enterprises was supported by municipal policies for attracting creative resources to the neighbourhood, e.g. the local area-based regeneration project. The goal of such policies is to generate a spill-over effect of creative, innovative and successful enterprises boosting the surrounding neighbourhood more generally. Such programmes and initiatives are based on concepts of neighbourhood effects and social mixing (Friedrichs, 1998; Bolt & van Kempen, 2013). However, literature has criticised such approaches by arguing that entrepreneurship policies focusing on higher skilled and higher income population groups in diverse urban contexts will overlook more disadvantaged groups, for instance immigrant entrepreneurs such as those mentioned above (Syrett & Sepulveda, 2011; Kloosterman & van der Leun, 1999). In addition to such discussion points, the fast-moving processes of change taking place in Bispebjerg call attention to the question as to whether diversity is only a temporary feature of an urban neighbourhood. Will the urban diversity of Bispebjerg diminish over time if more advantaged groups of residents, entrepreneurs and visitors continue to find their way into the area? Though such processes are still at an early stage in Bispebjerg, issues of potential gentrification must be considered.

6.2 Policy recommendations

As identified in this analysis, the key points for policies and initiatives to take into account fall in two groups; one relating to entrepreneurship in general, and the other relating to entrepreneurship in contexts of urban diversity.

First, the approaches of public-sector actors towards entrepreneurs are characterised as either bureaucratic and unaccommodating or as passive and lacking in initiative. Consequently, entrepreneurs are calling for a more open and inviting approach in which public sector actors take on a catalyst role towards entrepreneurship. As pointed out in Chapter 5, the comprehensive regulatory role played by public sector actors in Denmark complicates their possibilities to take more flexible and innovative approaches. However, a large potential for enhancing economic performance and growth would be unleashed if they did just that.

Second, the report has highlighted how not all entrepreneurs seem to possess sufficient competences for their enterprises to succeed. Inadequate experience and knowledge about the specific field of business and contextual factors, e.g. market and customers, social and structural conditions, legislation, regulations or the public and semi-public sectors, seem to impact the economic performance of enterprises in a negative direction. Such challenges are important to address, especially in contexts of diversity where the resources and backgrounds of entrepreneurs differ significantly. Consequently, policies for entrepreneurship in diverse environments must focus on supporting disadvantaged groups of entrepreneurs and aim at enhancing the skills and competences they need to run an enterprise. Currently in Bispebjerg, policies tend to support entrepreneurs who already have comprehensive educational or professional competences. Policies supporting the entrepreneurship of disadvantaged groups may include enhancement of knowledge and professional skills, but also the improvement of the social capital and networks of the entrepreneurs, for instance by facilitating peer-to-peer networks. For enterprises targeting local customer groups in particular, the local area holds a large potential in this regard, making

neighbourhood-level actors key in facilitating and strengthening the networks and the social capital of local entrepreneurs. An important challenge regarding policies for supporting disadvantaged groups of entrepreneurs is to gain the trust and engagement of entrepreneurs, typically immigrant entrepreneurs who are unaccustomed to cooperation with public and semi-public sector actors, e.g. local authorities, trade associations, neighbourhood-level networks, etc.. However, this challenge only serves to highlight even more the point stressed above regarding public and semi-public sector actors taking an open and active approach towards entrepreneurs.

To support a positive relationship between diversity and entrepreneurship, policies and approaches by government actors must, on the one hand, be sufficiently flexible and open for creativity and entrepreneurial initiative to flourish, while, on the other hand, they must create a foundation that supports the less resourceful and allows for the weaker voices to be heard. Ethnic, cultural and social diversity may very well be assets for entrepreneurship, yet the socio-economic, linguistic, professional and educational shortcomings of entrepreneurs can be a hindrance to their success. This conclusion reflects that of previous DIVERCITIES reports, arguing that diversity as such does not challenge the social cohesion nor the social mobility of individuals or urban neighbourhoods; however, socio-economic inequalities do (Andersen et al., 2014a; 2014b; Beckman et al., 2015). The report has demonstrated that this also applies to the enhancement of economic performance, and that combatting such inequalities is a prerequisite for diversity to be an asset for entrepreneurship. Consequently, the main goal for policies, initiatives and programmes must be to fight socio-economic inequalities, while at the same time supporting and encouraging urban diversity.

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Appendix

List of the interviewed entrepreneurs

Inter- viewee (ref. no.)	Age	Gen- der	Type of enterprise ¹¹	Type of entrepreneur ¹²	Enterprise category (see below)
R1	37	M	Combination of IT services/ restaurant business/network platform. Small-scale	Ethnic Danish background, higher-educational level, semi- relevant professional experience	D
R2*	18*	M*	Jewellery shop. Medium- scale	Son of owner, under education, family of Iraqi background	C
R3	30	F	Urban development consultancy. Medium-scale	Two partners, recently completed higher-level education within relevant field, ethnic Danish backgrounds	D
R4	60s	F	Drycleaner. Small-scale	Runs enterprise with assistance from husband on retirement, both of Pakistani background, un/low- skilled	C
R5	57	M	Newspaper shop/kiosk. Small-scale	Unskilled, Iraqi background, long- term self-employed, no prior experience within the sector	C
R6	42	M	Recording studio. Small- /medium-scale	Higher-educational level and professional experience within relevant field, ethnic Danish background	B <i>(more small- scaled than usual for cat. B)</i>
R7	40	F	Hairdresser's. Small-scale	Semi-skilled within relevant field, limited professional experience, Iranian background	E
R8	44	M	Interior design company. Larger-scale	Ethnic Danish background, higher-educational level within relevant field, runs other enterprises as well	B
R9	28	M	Consulting, courses and catering within the entertainment industry. Larger-scale	Skilled within other fields, runs other enterprises as well, ethnic Danish background	B

¹¹ To denote sizes of the enterprise, each are categorised as either small-, medium- or larger-scale (or a combination of two). These categorisations are qualitative estimations based on the number of employees, the size of enterprise turnovers and (to a lesser extent) the premises of the enterprises.

¹² The majority of the interviewees are entrepreneurs, i.e. initiators and (co-)owners of their businesses (in three cases, the businesses were started up by the parents of the interviewees), but a few interviewees are only employees. These are marked with a * symbol in the table. However, in the report text, the collective designation of the interviewees is *'the entrepreneurs'*. Please note that in some interviewees, an employee was present in addition to the entrepreneur. In such cases, this is not mentioned in the table, and the listed data refer to the entrepreneur.

R10*	22*	M*	Gambling hall (sports betting). Small-scale	Employee (relatively new), student, Pakistani background (owner is male, around 50 and Pakistani as well)	E
R11*	ca. 50*	F*	Takeaway/restaurant (food made from scratch). Medium-scale	Manager/employee, waiter, ethnic Danish, relative of the owner (who is younger, female and trained in the restaurant business)	D <i>(more established than usual for cat. D)</i>
R12	46	F	Undertaker. Larger-scale	Ethnic Danish background, skilled within different field, has taken over family business	A <i>(larger and more professionalised than usual for cat. A)</i>
R13	27	M	Tattoo parlour. Medium-scale	Ethnic Danish background, skilled within different field, runs other branches as well	D
R14	60	F	Dog grooming salon. Small-scale	Skilled within relevant field, long-term self-employed, ethnic Danish background	A
R15	37	F	African specialities shop (foods). Small-scale	Senegalese background, skilled within other fields, enterprise is part-time	E
R16	26	F	Shared office space for students. Small-scale	Two partners, university students of relevant subject, ethnic Danish backgrounds	D
R17	40s	M	Estate agent. Medium-scale	Skilled within relevant field, long-term professional experience, ethnic Danish background	B <i>(still partly under establishment)</i>
R18	38	F	Hairdresser's. Small-/medium-scale	Skilled within relevant field, relevant professional experience, Iranian background	E
R19	54	F	Physiotherapist and acupuncturist. Medium-scale	Skilled within relevant field, long-term professional experience, ethnic Danish background	A <i>(working-class element less pronounced than usually for cat. A)</i>
R20	ca. 40	M	Art gallery. Medium-scale	Higher educational level and previous experience within relevant field, British background	B
R21*	ca. 40*	M*	Beauty products (wholesale production). Larger-scale	Head of operations (relatively new), higher-level education, professional experience within relevant field, ethnic Danish background	B
R22	ca. 60	M	Architecture firm. Larger-scale	Higher educational level and long-term professional experience within the field, ethnic Danish background	B

R23	50s	M	Second hand furniture shop. Small-scale	Ethnic Danish background, long-term professional experience, educational background unknown	E <i>(stronger capital of professional experience than usual for cat. E and different socio-demography of entrepreneurs)</i>
R24	60s	F	Sewing business and clothes repairing. Small-scale	Skilled and experienced within relevant field, Swedish background, on part-time retirement	D / A
R25	30s	M	'Urban foraging' project (picking eatable plants etc.) – app service and courses. Small-scale	Higher-educational level within relevant field, ethnic Danish background	D
R26	30	F	Bar/restaurant (oldschool hip). Medium-scale	Skilled within relevant field, newly qualified, German background	D
R27	49	M	IT firm. Larger-scale	Higher educational level and long-term professional experience within the field, ethnic Danish background	B
R28	46	F	Shisha lounge. Small-/medium-scale	Limited experience within the field, education unknown, Iraqi background	E
R29	59	M	Developer. Medium-/larger-scale	Higher educational level and long-term professional experience within the field, ethnic Danish background	B
R30	52	F	Glazier shop. Larger-scale	Ethnic Danish background, skilled and experienced within different field, has taken over family business	A <i>(larger and more professionalised than usual for cat. A)</i>
R31	58	M	Hardware shop. Small-scale	Unskilled, long-term professional experience within the field, ethnic Danish background	A
R32	53	M	Carpet merchant (Persian carpets). Small-scale	Professional experience within relevant fields, semi-skilled within different field, Iranian background	C
R33	35	F	Islam clothes shop and sewing business. Small-scale	Unskilled, limited prior experience, Iraqi background	E
R34	31	M	Graphic design and printing service. Medium-scale	Higher educational level within relevant field, Danish-Palestinian background	B <i>(more small-scaled than usual for cat. B)</i>
R35	32	M	Greengrocer's shop (with Indian and Pakistani specialities). Small-scale	No prior experience, semi-skilled within different field, Pakistani background	E

R36	33	F	Traditional Danish pub. Medium-scale	Ethnic Danish background, skilled and experienced within different field, runs family business part-time	A
R37	48	M	Auto repair shop. Small-scale	Skilled and long-term experienced within the field, ethnic Danish background	A
R38	37	M	Consultancy working with play activities for schools, kindergartens, etc. Small-scale	Higher educational level and professional experience within relevant field, ethnic Danish background	D
R39*	50s*	M*	Stone masonry chain with branch in the area. Larger-scale	Head of PR for all branches, ethnic Danish background, higher-level education	B
R40	50s	M	Café run by a foundation working for people with learning disabilities. Larger-scale	Higher educational level, long-term professional experience, ethnic Danish background	B <i>(new enterprise, yet part of well-established foundation)</i>

*: Interviewees are employees, not owners, of the enterprises.

Enterprise categories (see description in Section 2.2):

- A. Established enterprises reflecting Bispebjerg's history as an old working-class neighbourhood
- B. Established enterprises characterised by a high degree of professionalism
- C. Established immigrant enterprises with non-innovative services or products
- D. Newer enterprises which are first-movers in Bispebjerg
- E. Newer enterprises with non-innovative or non-explorative services or products