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*Report 2j (Athens, Greece)*

*20 March, 2016*



*Governing Urban Diversity:*

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

## **Report 2j**

### **Fieldwork entrepreneurs, Athens (Greece)**

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## 1. Introduction

In the global era, attaining high levels of economic growth and increasing the well-being of citizens have been set as important objectives of urban policies, closely connected to the development of entrepreneurship (Fainstein, 2005; Bodaar and Rath, 2005). Cities compete for enterprises with high economic performance and talented entrepreneurs, besides creating conditions necessary for new start-ups. The literature emphasises that cities open to diversity are able to attract a wider range of entrepreneurs than those that are relatively closed (Fainstein, 2005; Florida, 2002; Ta'an-Kok and Vranken, 2008; Eraydin et al., 2010). However, empirical research on how economic competitiveness relates to urban diversity is quite limited and provides evidence usually at macro level.

This report, written as part of the EU-FP7 DIVERCITIES project, aims to add empirical evidence collected at neighbourhood level in the city of Athens. We focus on a dynamic and diverse neighbourhood of the city (Akadimia Platonos), with the aim of exploring the economic performance of local businesses, as well as the conditions that favour their establishment, development and competitiveness. We especially examine the relationships between urban diversity and the successes and challenges faced by entrepreneurs. Our aim is to find out whether this neighbourhood provides conditions for individuals or groups to strengthen their creative forces and enhance their economic performance.

First, the report examines the characteristics of entrepreneurs, the evolutionary path of their businesses and the factors that define their economic performance. It might be expected that factors like the age, gender, family, ethnic background, education and previous experience of the entrepreneurs are important variables in determining the success of their enterprises and mediate the influence of diversity at the neighbourhood and city level. Second, the report explores the main motivations of entrepreneurs for setting up their business in the neighbourhood where it is located now and especially the role of diversity. Third, it evaluates the conditions that facilitate or hinder the economic performance of businesses. And fourth, the report explores the role of policies and measures at different levels and the institutionalisation of such policies.

The evidence on these issues can be reached with concrete research questions below, which will constitute the focus in the chapters of this report:

1. What are the main characteristics of the entrepreneurs and their business? What are the evolutionary paths and the fields of activity? What are the physical conditions and the ownership pattern of their offices/production sites/shops? (Chapter 2)
2. What were the main motivations of entrepreneurs for establishing a business? What is the importance of neighbourhood diversity for starting their business where it is located now? Why did he/she select this line of business and from whom the entrepreneur has received support in different forms in starting this enterprise? (Chapter 3)
3. What are the success and failure factors important for the economic performance of enterprises? What is the current level of performance and how did it change? To what extent does the diversity of the neighbourhood play a role in economic performance? What are the long-term plans of entrepreneurs? Do they have any

plans to change size, market and business strategies in order to reach higher levels of competitiveness? (Chapter 4)

4. Which policies, measures and organisations contribute to the performance of enterprises? What are the contributions of membership to various initiatives on the performance of enterprises? What do the entrepreneurs want from policy makers at different levels? (Chapter 5)

To explore these research questions in the specific study area of Athens (Akadimia Platonos), it is important to take into consideration some particular contextual features of the neighbourhood; first, with respect to urban and demographic developments; and second, with respect to the general characteristics and various types of entrepreneurship.

Akadimia Platonos is located at the south-western part of Athens, in close proximity to the city centre. It has almost 65,000 inhabitants (EKKE-ESYE, 2005) and, similarly to most of the central areas of Athens, it is a socially mixed neighbourhood. During the 1980s, Akadimia Platonos lost a considerable number of inhabitants, who searched for better living conditions in the suburbs, following a general trend of suburbanisation. This move to the suburbs was “socially asymmetric” and concerned only a part of the middle and upper socio-professional categories (Emmanouel, 2006). Thus, despite the fact that suburbanisation trends continued also during the 1990s and 2000s, the neighbourhood still preserves a socially diverse population. Another important demographic change took place after the early 1990s, when Greece started receiving large flows of immigrants, initially from the Balkans and Eastern Europe (Cavounides, 2002) and more recently from Africa, Asia and the Middle East (Kandylis et al., 2012). Today, Akadimia Platonos is considered to be one of the most multi-ethnic neighbourhoods of the city, with immigrants representing 20% of the local population. Immigrants from Albania constitute by far the largest migrant group in the neighbourhood (representing 9% of the local population), followed by Pakistani immigrants, who represent only 0.83 % (EKKE-ESYE, 2005). The remaining 80% of the local population consists of Greek nationals (EKKE-ESYE, 2005), some of them having been born and raised in the neighbourhood, others having in-migrated during the rapid urbanisation period of the 1960s and the 1970s, and others having moved-in recently, i.e. during the last decade. Especially during the last five years, it seems that the neighbourhood attracts newcomers of young age, high educational background and cultural capital, such as freelancers, engineers and artists, who cannot afford to live and work in other more expensive central neighbourhoods (for background information on the neighbourhood of Akadimia Platonos, see also Alexandri et al., 2015).

Since 2007, Akadimia Platonos is deeply affected by the economic crisis, similarly to many other central neighbourhoods of Athens. The crisis burst out in Greece as a problem of a massive budget deficit but evolved into a multi-faceted and continuing crisis with multiple socio-spatial impacts on various sectors, such as housing, entrepreneurship, public space, transports, environment etc. (Serraos et al., 2016). Until now, this multi-faceted crisis has affected a wide range of different social categories, primarily women, immigrants, young people etc. (Vaiou 2014). Concerning especially entrepreneurship, which is the main topic in this report, there has been a dramatic decrease in turnover and profits of businesses while, as a result, a large number of businesses are closing down. It is estimated that turnover in retail trade has dropped by almost 40% since 2008 (ELSTAT, 2015), while closed businesses in the city centre of Athens reached 32% in 2013 compared to 16% in 2010 (INEMY-ESEE, 2015: 4).

Given the particular local context presented above, we can now describe the general characteristics and various types of entrepreneurship developed in the neighbourhood. The descriptions that follow are based on *in situ* observation that we conducted in the neighbourhood before selecting our interviewees. These *in situ* observations have also been confirmed through interviews with two key persons, a freelancer urbanist and an urbanist at the Department for Urban Planning of the Municipality of Athens, who both worked for the Master Plan of Akadimia Platonos 2009-2011. In terms of entrepreneurship, it will be shown that Akadimia Platonos is not a mono-functional neighbourhood but has a diverse and dynamic local market including long-established businesses and start-ups active in many different sectors.

The large majority of businesses in Akadimia Platonos engage in commercial activities, including both wholesale and retail trade. One can find in the neighbourhood grocery, clothing, accessories and stationary stores, businesses selling tools and raw materials etc. There are also businesses providing a large variety of everyday services (such as coffee shops and restaurants, hairdressing salons, tailoring and shoemaking businesses, copycentres and accounting offices), but also businesses providing more specialised services in the sector of education, sports and health (such as private tutors schools for secondary education, language learning and pc classes, fitness centres and private clinics). These common local businesses mostly concentrate at the heart of Akadimia Platonos, along the very central and commercial streets, but also disperse throughout the whole neighbourhood. The local market also comprises a significant number of creative businesses, such as engineering offices, companies active in the production and management of cultural events, multi-purpose art spaces and private schools engaged in theatre, dance, music, painting etc. As for innovative businesses, providing new and high-technology products and services, they are not numerous in the neighbourhood but they do exist, such as one business that installs machine vision systems or another business specialised in electric mobility products and industry equipment. Last, on the west part of Akadimia Platonos, there is a cluster of manufacturing businesses, logistics and garages, which is long in transition: following a procedure of deindustrialization and decentralization of incompatible land uses, an important number of these businesses are gradually being abandoned; some of them are closing down and others are relocating to the periphery of Athens.

To give some general characteristics of the businesses established in Akadimia Platonos, those engaged in commercial activities and every day services are usually of small size, except for a few supermarkets and one shopping mall. Many of them are family businesses, only occasionally employing a small number of staff. As for businesses engaged in specialised services, creative and innovative products and activities, they are usually of medium size and may have up to 20 employees. Only in the sector of innovative and manufacturing activities are there large-sized businesses (having 50 employees or more), either big firms or their branches. In all sectors, most of the entrepreneurs use to rent their facilities, while a significant percentage of them are owners. Especially in the case of creative and innovative activities, it is often that people set up partnerships, non-profit businesses and NGOs. Last, in various sectors, an important number of businesses engage in informal activities, like in the case of unauthorised manufacturing activities and logistics or in the case of self-employed Greeks and immigrants working at home.

Most of the businesses established in the neighbourhood are owned by Greeks but a significant percentage of them are owned also by foreign immigrants. Migrant

entrepreneurs use to set up businesses active in commercial activities and everyday services, such as food and clothing stores, hairdressing salons etc. At the same time, many migrants are informally employed in businesses owned by Greeks or informally work at home, especially migrant women providing services of house cleaning, elderly and child care.

A significant number of businesses in Akadimia Platonos, engaged in commercial and manufacturing activities and everyday services, are very old, established in the neighbourhood during the 1950s, 1960s and 1970s. An important increase of commercial activities and everyday services also occurred in the late 1980s and during the 1990s, while only few opened later. The most recently established businesses in the neighbourhood are those active in creative and innovative activities, opened mostly during the 2000s, even after 2010. So, it seems that creative and innovative start-ups take risk easier than more traditional businesses, opening even in the midst of a deep and continuing economic crisis. After the outburst of the crisis, not only are there no new commercial businesses in the neighbourhood but a lot of the existent are closed, even along the most central and commercial streets.

We have selected our sample of interviewees taking into account the above-mentioned general characteristics and various types of entrepreneurial activities of Akadimia Platonos. At first, we relied on contacts established during the previous working package of the DIVERCITIES project (see WP6 report “Fieldwork inhabitants”, Alexandri et al., 2015): some of the interviewed inhabitants brought us into contact with entrepreneurs they personally know in the neighbourhood. At the same time, we used our personal social networks (colleagues, friends and family members who live, work or spend time in the neighbourhood) to introduce to us local entrepreneurs. And last, we visited several local businesses ourselves and asked the owners for an interview. Once the process of interviews started, we also selected interviewees through snowball sampling: our respondents introduced us to other local entrepreneurs, which was important for people to be trustful and confident towards giving an interview (especially migrant entrepreneurs or people working in the informal sector). Snowball sampling was initiated several times in order to avoid bias in the sample of interviewees, that is, to avoid ending up with a sample of like-minded people with similar social and ethnic profile.

The large majority of local entrepreneurs that we came in touch with were truly willing to give us an interview. This may relate to the fact that the period of conducting the interviews (October-December 2015) was a period of relative economic and political stability in Greece, after the recent and disrupting experience (especially for entrepreneurs) of capital controls (in June 2015) and the third election procedure in a year (in September 2015). Only few of the entrepreneurs that we approached refused to give us an interview, putting forward two basic reasons: some of them claimed to have no time due to heavy workload and others voiced their disappointment with and mistrust towards initiatives taken by public institutions. We also missed some interviews from migrant entrepreneurs, collecting no more than 5 out of 40 interviews: some of the migrant entrepreneurs that we approached were very reluctant to speak about their businesses, others have temporarily left Greece to find work abroad, while many businesses owned by migrants in the neighbourhood are permanently closed because of the current economic crisis (which is true also for businesses owned by Greeks). Last, we totally missed interviewees who own big firms in the manufacturing sector and logistics, since they never replied to our written request for an interview.

Despite the difficulties that we faced to gain the trust of certain entrepreneurs, the final sample of interviewees is diverse and reflects sufficiently the general characteristics and various types of entrepreneurship developed in Akadimia Platonos. At the same time, the interviews refer to businesses located throughout the whole neighbourhood and not only along the very central and commercial streets. Most of the interviews took place in the facilities of the businesses and during opening hours (except for few interviews that took place in a coffee shop or at the respondent's home). Thus, we had the chance to observe how the businesses operate in real place and time, observe for example the number of customers and their profile, the products and services provided etc. But, during opening hours, entrepreneurs could not devote for the interview more than an hour. Some of the interviews are given by two persons (the partners of the business) while others refer to more than one business owned by the respondent. To close, it is important to underline that many respondents were interested in having access to the final results of this report and the entire DIVERCITIES project, while a local non-profit business suggested that we present the final research results in a public event concerning entrepreneurship in the neighbourhood.

## **2. The entrepreneurs and their businesses**

### **2.1. Characteristics of the entrepreneurs**

To give the general characteristics of the interviewed entrepreneurs and their businesses in Akadimia Platonos, we describe in this section the fields of activity that they are engaged in, as well as their social profile, namely their age, gender, level of education and ethnic origin (see Appendix).

First, the activities that the interviewed entrepreneurs are engaged in are representative of the entrepreneurial activities developed in the neighbourhood, as described in chapter 1. So, the large majority of the interviewed entrepreneurs are active in common commercial activities and everyday services, such as food and clothing stores, coffee shops and restaurants, pharmacies, hairdressing salons, tailoring and shoemaking businesses, garages etc. At the same time, an important number of the interviewed entrepreneurs provide more specialised services in the sector of education, sports and health, through local businesses like private tutors schools for secondary education, language learning and pc classes, fitness centres and private clinics. Last, a smaller number of our respondents are engaged in creative and innovative businesses, related to various cultural activities, arts, engineering, new and high-technology products and services.

Concerning the age of the interviewed entrepreneurs, they vary from 25- to 70-years-olds. Especially in the case of creative and innovative businesses, the range of the age is lower, including entrepreneurs of 30- up to 45-years-old. As for the gender of the interviewed entrepreneurs, there is no big imbalance between men and women (24 and 18 respondents respectively); nor is there a specific sector of entrepreneurship (commercial activities, services, creative or innovative businesses) which is male- or female-dominated.

Important differences among the interviewed entrepreneurs are observed with respect to their level of education. The most low-skilled entrepreneurs are those active in commerce and everyday services, having received basic secondary education. In the case of entrepreneurs providing more specialised products and services (eyewear shops,



hairdressing salons, accounting offices, garages etc.), most of them have higher skills, having followed post-secondary or higher technical studies. As for entrepreneurs who provide specialised services in the sectors of education, sports and health (e.g. private tutors schools for secondary education, language learning and pc classes, fitness centres, pharmacies and private clinics), they all have followed higher studies at university. But, the most high-skilled entrepreneurs are those involved in creative and innovative activities, such as cultural management and production, arts, engineering, high technologies etc.; they have not only received higher education but they usually have additional post-graduate qualifications, such as a master's degree or/and a PhD, obtained in Greece or abroad. Last, migrant entrepreneurs do not constitute a particular case in terms of their educational level. Similarly to Greeks, they may have received only basic secondary education, others have additional technical skills (obtained either in their country of origin or in Greece), while some of them have followed higher studies at university. The crucial difference here is that migrant entrepreneurs of higher educational level do not manage to engage in activities demanding high skills, which is described in literature as a process of "de-specialization" (Kasimis and Papadopoulos, 2012). Thus, while Greek entrepreneurs are represented in all entrepreneurial sectors, migrants are absolutely absent from businesses active in high quality services, creative and innovative activities. In our sample of respondents, there are three Albanian and two Pakistani entrepreneurs, who are engaged in low-status services and common commercial activities. This is also the case for other Albanian, Pakistani, Polish and Chinese entrepreneurs in the neighbourhood, who refused to give us an interview or had to close down their businesses.

Most of the interviewed entrepreneurs have no previous professional experience, especially those engaged in commercial activities and everyday services. Having completed the basic secondary education and having no special skills, they initiated their own business or, in some cases, inherited the business of a relative. But, for other entrepreneurs, initiating a business was closely related to their post-secondary technical or university studies. This is the case for professionals providing specialised services, such as vehicle repair, accounting and bookkeeping, teaching, training, medical care etc. As explained by R36 (male, 55, private tutors school for secondary education, Greek):

*"When we finished our studies in literature and language at university [...] we opened this private tutors school for secondary education, gained our clientele and, thus, built our career".*

Initiating a business is not the very first professional activity for all interviewed entrepreneurs. Some of them had previously followed studies in a different sector and already had a different professional experience. Two of our respondents explained why they quit their job and how they became entrepreneurs in Akadimia Platonos:

*"It was my father-in-law who opened this business, 60 years ago. [...] My husband studied engineering and worked as public servant. And me, I used to work as secretary in a private clinic. [...] When my father-in-law got too old, 20 years ago, I quit my job in order to keep his business running. My husband helps me a lot after his retirement".* (R12: female, 48, liquor store, Greek)

*"I studied economics at university but I never practiced this job. [...] At first, I worked in a cloth factory, not very far from here. And few years later, I became head of one of its departments. [...] But in the year 2000, the factory went bankrupt. Thus, a colleague of*

*mine and I decided to start up our own business". (R34: male, 60, men's XL clothing store, Greek)*

Especially in the case of creative and innovative jobs, it is usual that our respondents have multiple high skills as well as an important previous professional experience. After initiating their own business, they do not necessarily quit their previous jobs but may keep working as freelancers. Additionally, in these specific sectors, it is usual that people launch new schemes of entrepreneurship, such as partnerships, non-profit businesses and NGOs. One of our respondents (R38: female, 40, multi-purpose art association, Greek) gave a characteristic example:

*"People involved in this non-profit business, we all followed studies in arts [...] Initiating a non-profit business is also beneficial for our own job. Me, for example, I am an actor and director. This is my job. I am teaching theatre and directing theatrical plays. And managing a non-profit business at the same time is good for my job. This is also true for another member here. He is a music therapist. He studied sociology and music and he currently combines both. At the same time, he works as a public servant".*

To close with the case of migrant interviewed entrepreneurs, some of them did not acquire special qualifications or professional experience in their country of origin but received technical education in Greece in order to start up their own business, such as a hairdressing salon. As for migrants who followed studies and had previous professional experience in their country of origin, it seems quite impossible to find a job according to their skills in Greece, as in the case of R16 (female, 47, tailor, Albanian):

*"In Albania, I studied economics and worked in accounting offices and a large company for eleven years. [...] When I came to Greece, I realized that there was no way to find a job in this sector. Because I wasn't speaking Greek, many people worked in this sector and the salaries were low. And I thought that I should practice sewing, which was my hobby. I met a lady, I worked for her and I improved what I already knew, what I wanted to do".*

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

In the sector of commerce and everyday services, most of the interviewed entrepreneurs barely have employees, since they run small and/or family-based businesses. Only occasionally, some of them employ staff (no more than two persons), in seasons of high demand or during periods when family members are not able to provide help. Over the years, especially when economic performance is high, it is usual that entrepreneurs make changes in the operation of their businesses, such as improving and expanding their products and services as well as their facilities. As described by R7 (female, 36, lingerie store, Greek):

*"My father owns this business since 1976 [...] selling men's and women's clothes and underwear but also clothes for kids. [...] During the 1980s, my father rented a second store, near the first one, and separated items for adults and items for kids. [...] In the late 1990s, he rented a third store, next to the second one, joined them and proceeded to renovation works. Having more space, he added products for babies, such as carriages, cot beds, toys etc."*

Contrary to the businesses involved in commercial activities and everyday services, those active in more specialised services (in the sector of education, sports and health) use to employ a larger number of people, up to 20 employees. In such businesses, employees are high-skilled, have long professional experience and usually are residents in Akadimia Platonos or live in various other neighbourhoods of Athens, though not very far. Businesses providing specialised services often proceed to the expansion, upgrade and modernisation of their services. In the sector of private education, one of our respondents (R23: female, 60, private tutors school for secondary education and lifelong training, Greek) provided a characteristic example:

*“Our business operates since 1982, at first as a private tutors school for secondary education. [...] In 2003, we introduced pc classes, not only for students but also for adults. And, in 2006, we added a service for vocational guidance. [...] Since last year, we provide students with space for studying. This partially covers the needs in child care, especially for parents who both work for many hours per day”.*

Businesses providing specialised services are not the only ones that provide employment opportunities. Creative and innovative private businesses, non-profits and NGOs also employ a relatively large number of staff and involve a large number of partners. In this case too, employees and partners are high-skilled, have long and important professional experience and live in various neighbourhoods of the city. In creative and innovative sectors, businesses and NGOs engage in a variety of activities and services. For instance, non-profits engaged in culture are particularly dynamic businesses, providing multi-purpose facilities for theatre, dance and music classes, exhibitions, concerts, performances and plays, coffee-shops, bars and restaurants.

Exploring more recent developments in the evolutionary path of the businesses and their fields of activity, important changes took place after the outburst of the economic crisis. In order to face the continuing decrease in turnover and profits, most of the interviewed entrepreneurs proceeded to various changes (in their staff, products, services and facilities), with or without successful results. On the one hand, many businesses reduced their staff even by more than 50%, reduced their products and services, and rented smaller facilities with lower rental cost. On the other hand, some of the businesses expanded their products and services, increased opening hours and renovated their facilities, with a view to attracting more customers and increasing their profits. Two of our respondents provided characteristic examples of such contrasting entrepreneurial strategies:

*“In order to survive without owing money or evading taxes, we had to reduce our staff. Two years ago, 7 trainers used to work here. Today, we have only 3 trainers and no secretary. We even had to look for another cleaning lady working for a lower salary. [...] And, fortunately, the owner of the building accepted to reduce the rent from 3,000 to 1,500 euros”.* (R37: male, 42, sport association, Greek)

*“We tried to initiate more commercial activities. As you can see, we also sell jewellerys. We had this idea for years but it came true in 2009, along with few renovation works. The idea was good but actually failed... due to the crisis”.* (R35: male, 45, hairdressing salon-jewelry shop, Albanian)

### 2.3. The location and site/s of the enterprise

Most of the interviewed entrepreneurs use to rent their facilities, which constitutes a significant fixed cost in their monthly budget. After the outburst of the crisis, this is one of the reasons why some of them launched schemes of collective entrepreneurship, such as partnerships; to share rental costs and other fixed operating expenses. To avoid rental costs, it is also quite usual that entrepreneurs run a home-based business, sometimes owned by their family. This mostly happens at the beginning of their professional career, until they can afford to pay the rent for their own facilities. Running a home-based business is also the case for those who work at home informally. Last, an important number of the interviewed entrepreneurs (8 out of 40) are owners of their facilities. Some of them inherited their facilities from relatives, while others bought them in the midst of their career, paying in cash, through bank loans or leasing. One of our respondents (R36: male, 55, private tutors school for secondary education, Greek) explained how his wife and he became owners:

*“At the beginning, we were renting few classrooms in the next building. At that time, our parents offered us economic support. [...] When our business was stabilised, we took a loan and bought this building. At first, we renovated and opened two classrooms and gradually we opened more”.*

No matter what ownership pattern, the vast majority of the interviewed entrepreneurs have one and only facility. Only few of them used to have a second or a third store in the neighbourhood (during past years of high demand and economic performance) and only two of them run a branch store of a bigger company. Occasionally, entrepreneurs relocate to smaller or larger facilities, upgraded or downgraded spaces, depending on their financial means. Two of our respondents provided two contrasting examples:

*“In 1982, when we opened this business, we rented our first facilities. [...] In 2003, we expanded our activities and we searched for another building to rent; a renovated building, with more classrooms, suitable for our new activities”.* (R23: female, 60, private tutors school for secondary education and lifelong training, Greek)

*“In the past, this store was full of products, both the ground floor and the first floor. But, after the outburst of the crisis, I had to reduce my products. Now, the first floor is closed and the ground floor is relatively empty”.* (R18: female, 41, clothing store, Greek)

### 2.4. Conclusions

Overall, entrepreneurship developed in Akadimia Platonos has very diverse characteristics, both in terms of the entrepreneurs' social profile (age, gender, level of education and ethnic origin) and in terms of the businesses' operation and type (products and services, size, staff, facilities, ownership pattern etc.). However, the characteristics of entrepreneurs and their businesses have significant differences depending on the field of activities that they are engaged in.

First of all, businesses active in commercial activities and everyday services are much more numerous than the rest. Entrepreneurs engaged in such businesses cover a wide range of ages, varying from 25- to 70-years-olds. Most of them are low-skilled, having only basic secondary education and no previous professional experience. In terms of ethnic origins, both Greeks and immigrants get involved in commercial activities and

everyday services. In this field of activities and services, businesses are usually small-sized or/and family-based. Thus, they employ staff only occasionally and create no big employment opportunities.

On the contrary, businesses active in more specialised services (especially in the sector of education, sports and health) are dominated by entrepreneurs with higher skills, having received post-secondary technical education or followed higher studies at university. The age range here is narrower, including from 40- to 60-years-olds. In the field of specialised services, businesses are usually medium-sized and, thus, employ a large number of people (up to 20 employees). They are high-skilled, have previous professional experience and may be residents in Akadimia Platonos or live in various neighbourhoods of the city.

But, the most particular and dynamic businesses are those involved in creative and innovative activities. In this case, the age range of entrepreneurs is significantly lower, including from 30- to 45-years-olds. Entrepreneurs in creative and innovative businesses are the most highly skilled, having not only higher education but also postgraduate degrees (masters or/and PhDs), obtained in Greece or abroad. It is usual that they practice various jobs at the same time, take more risks and initiate new forms of entrepreneurship and engagement, such as partnerships, non-profit businesses and NGOs. Such schemes of entrepreneurship and engagement employ a large number of people and involve a large number of partners and members, creating important employment and participation opportunities. At the same time, they produce new forms of facilities (especially in the case of cultural businesses), such as multi-purpose and multi-functional spaces for theatre, dance and music classes, exhibitions, concerts, performances and plays, coffee-shops, bars and restaurants. Despite the dynamism and multiplicity of creative and innovative businesses, it is important to underline that immigrants are absolutely absent from such activities, even those who are high-skilled and received higher education in their country of origin.

To close with some common characteristics among all types of businesses, most of them have only one facility, with the exception of just a few businesses that used to have multiple locations and only two that are branches of a bigger company. Most of the entrepreneurs use to rent their facilities, while a significant percentage of them (about 20%) are owners. In all fields of activities, entrepreneurs seem to be willing to make changes in the operation of their businesses, such as improving and expanding their products, services and facilities. However, this depends on their economic performance and the available financial means. To give a characteristic example, after the outburst of the economic crisis, most of the interviewed entrepreneurs proceeded to important changes, depending on the different way that they were affected and different attitudes towards facing the effects of a crisis: on the one hand, many entrepreneurs had to reduce their staff, products and services or/and rent smaller facilities with lower rental cost, in order to keep their business running; while others took the risk to expand their products and services, increase opening hours or/and renovate their facilities with a view to attracting more customers and increasing their profits.

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

#### 3.1. Introduction

Exploring motivations for entrepreneurial engagement, scholars have revealed various factors that make people start their own business. These factors may relate to individual socio-demographic characteristics (such as gender, age, family background and educational level), individual preferences and perceptions (such as the preference for self-employment and the perception of job security, advancement and economic performance, of administrative complexities, of availability of financial support and of risk tolerance), as well as country-specific variables (economic environment, technological progress, institutional framework and cultural particularities) (Armington and Acs, 2002; Blanchflower, 2004; Freytag and Thurik, 2007; Grilo and Thurik, 2008). As for the locational choices of entrepreneurs, scholars have put a particular emphasis on the importance of social networks (Granovetter, 1985; Aldrich and Zimmer, 1986; Greve, 1995; Jensen, 2001; Hoang and Antoncic, 2003; Ripolles and Blesa, 2005). Local social networks, including family bonds, friendly contacts and relationships between colleagues, provide entrepreneurs with a wide range of valuable resources, such as access to information, advice, knowledge, skills and finance, social legitimacy, reputation and credibility (Klyver et al., 2008).

Particular attention has been paid to migrant entrepreneurship, with scholars revealing a wide range of factors that motivate migrants to engage in entrepreneurial activities. For instance, entrepreneurship is usually an alternative for immigrants who face long-term unemployment or economic and social discrimination in the local market (Bonanich, 1973). Their involvement in specific entrepreneurial sectors may depend on family, educational, professional, ethnic and migration background, stage in the family life cycle, even on individual characteristics and preferences (Baycan-Levent et al., 2003; Basu, 2004). As for the localization of migrant business in specific neighbourhoods of the city, it may relate to the existence of a gap in the local market or of certain attractive spatial patterns, such as the so-called entrepreneurial ethnic “niches” or “enclaves” (Waldinger, 2003). Ethnic-based social networks play again an important role for locational choices: relatives and friends from the homeland often provide migrant entrepreneurs with start-up capital, low-waged labour, a first customer base and supplier chain, information, knowledge and solidarity (Portes, 1995).

An additional factor that seems to play a certain role for the development of entrepreneurship is urban diversity. As already stated in the literature, the impact of urban diversity on the development of entrepreneurial activities, employment rates and urban wages may vary significantly (Nathan, 2011). For example, Alexandre-Leclair (2014: 173) observed that diversity in terms of gender, culture and ethnicity is only partially “a core motive for entrepreneurship” and called for further research and theoretical elaboration on this question.

The relationship between urban diversity and entrepreneurship needs to be further explored also in the case of Athens. So far, there is only a limited literature (Lianos and Psiridou, 2008), focusing especially on “ethnic” entrepreneurship in central neighbourhoods of the city. Some scholars explore the particular forms, the economic performance and the geography of “ethnic” businesses, as well as the perceptions of “ethnic” entrepreneurship by the locals (Kandyliis et al., 2007; Mavrommatis, 2008; Tsiganou, 2013); and others investigate the concentration of migrant entrepreneurs in

specific neighbourhoods of the city (Mavrommatis 2008; Balampanidis & Polyzos, 2016; Hatziprokopiou and Frangopoulos, 2016). But, urban diversity as motivating factor for the development of entrepreneurship is rarely examined and, thus, further empirical research is required.

In this section, we explore motivating factors for the development of entrepreneurship in Akadimia Platonos, such as *individual motivations and perceptions of the neighbourhood*, as well as *functional, economic and aesthetic attributes of the neighbourhood*. It will be shown that the involvement in entrepreneurial activities, the establishment of businesses in the specific neighbourhood and the initial support provided to the entrepreneurs are also significantly based on *human (social and ethnic) capital of the neighbourhood*, namely family, friends, colleagues and co-ethnic groups. As for urban diversity, we will argue that it is not always a pull factor for start-ups but plays an ambiguous role for the development of entrepreneurship; for instance, entrepreneurs often benefit from socially and ethnically diverse clientele living in the neighbourhood but they do not count on it in their initial business plan and strategies.

### 3.2. Motivations for establishing a business

Establishing a business, especially in the sector of commercial activities and everyday services, seems to offer a career prospect for people who have not pursued higher education studies after school and have not acquired specialised skills. This is often a conscious strategic choice influenced by parents (or other relatives) who have similar professional experience and help their children to start a business or pass on to them their own. As R17 (female, 39, grocery store, Greek) explained:

*“After school, I did not follow higher studies, since my parents had no money to support me. [...] My father had a similar business in the city centre. [...] He gave me little money to set up my own”.*

Establishing a business may also be a ‘plan B’ for people who faced difficulties in realizing their initial (different) professional plans. This may occur at the beginning of their career, after graduation, as in the case of one of our respondents (R3: male, 53, grocery store, Greek-American) who turned to retail trade since he did not manage to get a job in the sector he was specialized in:

*“I studied aircraft engineering in the US with a view to returning to Greece and working for the National Olympic Airlines. But this never happened because of clientelism. I had no personal or political contacts”.*

Another example is given by R5 (female, 38, coffee shop-restaurant, Greek) who, having faced unemployment for a long period, engaged in her father’s business seeking more secure employment conditions and stable income:

*“I studied tourism management but I never worked in this sector. I was hired as translator in a private company but I lost my job and the last three years I was unemployed and I was working on and off as freelancer. So, I was engaged, heart and soul, in my father’s business”.*

Respondents, both Greeks and migrants, decide to start their own business (instead of working as employees) believing that they can ensure job security, higher income and



better opportunities for advancement. Many of them participate in collective entrepreneurial schemes, such as family businesses, partnerships or non-profit companies. They stress that they share with their partners, similar or complementary professional experience, interests, and even common political views. Especially after the outburst of the economic crisis, young Athenians engage in such collaborative entrepreneurial schemes seeking to address job insecurity, unemployment and economic difficulties, through mutual investment and support. One of the respondents (R10: male, 30, engineering office, Greek) explained the reasons why he searched for a partner while previously he was working independently as freelancer:

*“- Why did you set up an engineering office during a crisis period especially in the construction sector?*

*- Previously, we were both working independently as freelancers. I proposed to my friend Demos that we collaborate because we have much in common: we share common skills, experiences, perceptions, aesthetics, communication codes, even political views”.*

### 3.3. The importance of location and place diversity

In this section, we present the respondents' motivations for locating their businesses in the neighborhood of Akadimia Platonos. We examine, first, the role of individual motivations and perceptions of the neighbourhood; second, the role of the functional, economic and aesthetic attributes of the neighbourhood; third, the role of human (social and ethnic) capital; and, last, we focus on the role of diversity. It will be shown that especially diversity constitutes only in part a motivating factor for entrepreneurs to set up their businesses in the neighbourhood, depending on its different forms: diversity in professional activities, social and ethnic diversity, and diversity in lifestyles and attitudes.

#### *Individual motivations and perceptions of the neighbourhood*

Many of the interviewed entrepreneurs established their business in Akadimia Platonos because they were born and raised or they have long been residents in the area. These entrepreneurs located their business near home or set up a home-based business. They find it pleasant and practical to work in a place which they are familiar with and emotionally attached to, through long established habits and social relationships. Furthermore, this is also an economically advantageous choice especially for those who own their homes or the properties which host their businesses. This is a quite common motivation since owners in Akadimia Platonos, as in the rest of the city centre, represent a large part of the total population (51.3% in the City of Athens in 2001 for primary residences, EKKE-ESYE, 2005). The description of R5 (female, 38, coffee shop-restaurant, Greek) sums up most of the above individual motivations:

*“We were born and raised in this neighbourhood. [...] We live very near here. Obviously, this was a very important reason for us and very practical. And second, we love very much this neighbourhood, that is why we bought a house here and we also wanted to work here. We like the fact that Akadimia Platonos is still a friendly neighbourhood and we like very much the neighbours, who support us a lot”.*

Regarding the newcomers in Akadimia Platonos, both Greek and migrant entrepreneurs often settle and set up a business in the neighbourhood because this is the place of living or working of their partner in life. Especially for immigrants, it is very common that they settle and work in the neighbourhood because relatives and friends from the homeland



had previously settled there. As R11 (female, 41, elderly care and house cleaning, Albanian) explained:

*"I came in Akadimia Platonos because my husband was living here, since many years [...] We were all here. My mother-in-law, the brothers and sisters of my husband [...] I found them all here".*

Social (family and friendly) networks constitute a very important motivation for settling and working in the neighbourhood and have many positive impacts on entrepreneurship, as will be shown below.

A last reason for settling and working in Akadimia Platonos relates to more subjective individual perceptions of the neighbourhood. Some respondents were attracted by the historic importance of the area, the archaeological site of the ancient Academy of Plato and his philosophical work. And some others were attracted by the intimate atmosphere that the neighbourhood still preserves, in particular the good relations between neighbours. The argumentation of R9 (female, 60, production and management of cultural events, Greek) is indicative:

*"I was looking to buy a house back in the 1980s. I already knew Akadimia Platonos and I was impressed, not only by Plato's work but also by the energy this neighbourhood has [...] I bought a house here and I immediately got close to people, which was very important. Walking from home to work, I spend half an hour saying 'good morning', 'how are you' etc.".*

#### *Functional, economic and aesthetic attributes of the neighbourhood*

Beyond the individual motivations and perceptions of the neighbourhood presented above, we present here some additional motivating factors that relate to certain functional, economic and aesthetic attributes of Akadimia Platonos. These motivating factors comprise functional advantages of the neighbourhood, opportunities in the local labour and real estate market, even aesthetic characteristics of the building stock, all together creating favourable conditions for the development of entrepreneurship.

Before establishing their business in Akadimia Platonos, some of the entrepreneurs took seriously under consideration the characteristics of the built environment and urban infrastructure, such as large sidewalks and public lighting along certain streets, as well as the significant building stock available for professional use. This building stock is still rented at low prices, which is also an important parameter for the establishment of a business.

Another important factor is the proximity and the good connection of the neighbourhood to the city center via many major road axes, bus or trolley lines and metro stations. At the same time, the neighbourhood is well connected to the suburbs of Attica region, as well as to northern and southern regions of Greece, via the National Road on its north side. The good connection of the neighbourhood to the city center and other areas gives easy access to clients and suppliers but also facilitates the daily movements of entrepreneurs. As R10 (male, 30, engineering office, Greek) explained:

*“The first reason why I chose this neighbourhood was its location in the region of Attica. It is a central neighbourhood [...] and it is easy for a professional like me to move. Because I have to be flexible, to move all the time [...] So, the office had to be near major road axis, such as the National Road [...] This also facilitates the access of our customers to the office”.*

The proximity to the city center is particularly important especially for creative businesses, such as theatres, concert halls and art galleries, since most of the cultural activities are already concentrated in the city center and its surrounding neighbourhoods. According to R38 (female, 40, multi-purpose art association, Greek):

*“ [...] we were looking for a neighbourhood where alternative artistic activities develop [...] such activities do not develop in a bourgeois suburb or a posh neighbourhood [...] they usually develop in abandoned central parts of the city, where some artists form their ‘artistic niches’ [...] young people follow them and thus rises an alternative neighbourhood”.*

The functional attributes of Akadimia Platonos presented above create favourable conditions for the development of a vibrant local market, namely for the establishment of multiple professional activities along busy commercial roads and squares. Furthermore, there have been significant gaps in this vibrant local market, which motivated some of the interviewed entrepreneurs to be engaged in certain missing professional activities in the neighbourhood. For example, until the mid-1990s, there was a certain lack in services of private education, partially filled by R15 (female, 45, private language learning institute, Greek), while until recently there was a certain lack in cultural activities, partially filled by R33 (male, 33, private dance school, Greek). These two respondents explained respectively that the opportunities in the local market were actually an important factor for them to set up their business in the specific neighbourhood:

*“When I set up this business, back in 1994, big chains of private language learning institutes had already appeared but not in our neighbourhood [...] we were only four small businesses then and we are twelve now”.* (R15, female, 45, private language learning institute, Greek)

*“We were looking for a large professional space in a central neighbourhood [...] and we were visiting several neighbourhoods, here and there [...] but most of them were full of dance schools, already saturated markets”.* (R33, male, 33, private dance school, Greek)

Another important factor that favours the development of entrepreneurship in the neighbourhood is the fact that Akadimia Platonos is a neighbourhood “in transition”. The ex-industrial and manufacturing building stock of the neighbourhood is gradually declining since the mid-1980s. Deindustrialization left behind a large empty industrial building stock (along with the old and degrading residential stock), waiting to be renovated and reused, creating opportunities for future investments and multiple new entrepreneurial projects. This perspective attracts, to a certain extent so far, new professional activities, especially creative and innovative businesses, such as engineering offices, high-tech companies and cultural businesses. One of the respondents (R10: male, 30, engineering office, Greek) clearly described the emerging perspectives of the neighbourhood:

*“In Akadimia Platonos and the neighbouring area of Eleonas, we noticed a considerable real estate activity, with foreign investors involved, who buy old and abandoned buildings at low prices with a view to renovating and reusing them. [...] We thought that we’d better set up our engineering office near this ‘real estate game’ since the construction of new buildings in Greece is finished. [...] And it’s not only the abandoned spaces but also spaces in use, all these degraded residential condominiums that urgently need to be renovated”.*

The characteristics of the available industrial building stock in Akadimia Platonos, especially the large size, fit well to certain special needs of cultural activities, such as ball rooms, theatrical stages, concert halls etc. At the same time, industrial buildings suit the aesthetical criteria of people involved in cultural activities, usually looking for facilities of a ‘particular’ and ‘alternative’ architecture. As R33 (male, 33, private dance school, Greek) explained:

*“[...] a dance school needs large spaces [...] we were looking for an old warehouse, a factory, a small industry [...] and we basically looking for a building of alternative style, a little bit particular”.*

Last, the archaeological site of Plato’s Academy also attracts entrepreneurs to locate their business in the neighbourhood. This is an archaeological site of a great historic value and world-wide fame. Therefore, some of the entrepreneurs anticipate the tourism development of the neighbourhood and seek to integrate tourists into their clientele, as in the case of R5 (female, 38, coffee shop-restaurant, Greek):

*“[...] another motivation is the archaeological park that we have here, which is of particular importance and its importance grows year by year. The archaeological site is becoming more and more popular, the number of visitors and tourists is rising and our clientele is gradually changing”.*

#### *Human (social and ethnic) capital of the neighbourhood*

It is not only the functional, economic and aesthetic attributes of the neighbourhood that give motivations to entrepreneurs for establishing their business in Akadimia Platonos. The human capital of the neighbourhood, both social and ethnic, is also a significant resource that entrepreneurs count on when they estimate the number and the profile of their future customers.

With Akadimia Platonos being a densely populated and a socially and ethnically mixed neighbourhood, some of the entrepreneurs foresee a large and diverse clientele. However, they count mainly on “high-quality customers”, namely those who have a steady job and relatively high purchasing power. One of the respondents (R3: male, 53, grocery store, Greek-American) recalls his thoughts back in the early 1990s, when he was planning to set up his business in the neighbourhood:

*“I was walking in the neighbourhood and I noticed all these condominiums inhabited by lot of residents [...] and ‘high-quality’ neighbours [...] I mean people who had their job, had money and could buy their milk from a grocery store rather than go to the supermarket”.*

The entrepreneurs who are also residents in Akadimia Platonos have already established a network of social relationships which is a crucial motivating factor for setting up their business in the neighbourhood. This network of social relationships includes friends from childhood, schoolmates, neighbours, relatives and family friends, people who participate in common affairs in the neighbourhood, even customers from a previous business of their own or their family, as in the case of R5 (female, 38, coffee shop-restaurant, Greek):

*“My father has always been a businessman in this neighbourhood. In the past, he had a restaurant, a coffee shop, a billiards room and a disco club. Furthermore, he is born in this neighbourhood, his parents as well, and he is a very sociable man. Therefore, he has a very large network of social relationships, which can help the operation of our business here”.*

The already established networks of social relationships expand as someone's business gains good reputation by word of mouth and, thus, more and more customers trust its products and services. The intimate atmosphere that the specific neighbourhood still preserves, as already mentioned, favours the development of social relationships between neighbours but also between entrepreneurs and customers.

Social networks are of particular importance for respondents who do not set up a “visible” business along the street but are freelancers, work at home or work in the informal sector. This is the case for Greeks (such as tailors, artists and private tutors working at home) but also for many foreign immigrants, employed very often in informal jobs (such as in services of house cleaning and elderly or child care). Similarly to Greeks, immigrants rely significantly on social networks, primarily “ethnic” networks, in order to find a job or set up and develop their own business: relatives and friends from the homeland help with renovation works, are voluntarily engaged in shopkeeping if necessary and they are part of the clientele. One immigrant respondent (R4: male, 31, grocery store, Pakistani) gave a characteristic example:

*“I opened this grocery store in Akadimia Platonos because I live here since 14 years and I have relatives here and friends, both Greeks and Pakistanis, who could help me with the business [...] if I need something I call them and they come immediately [...] almost every year we paint the walls [...] people know me here and they come to me to do their shopping”.*

Last, a particular case of business that significantly relies on the human (social and ethnic) capital of the neighbourhood is a local non-profit organisation which organises cultural events, actions and courses for the area's residents. The neighbourhood centre run by this organisation gives Greek and migrant residents the chance to meet and interact. As R9 (female, 60, neighbourhood cultural centre) explained:

*“There is a large diversity in people who participate here. Because arts and knowledge make different cultures meet. [...] There are Kurdish and Pakistanis who come and play music here with their musical instruments. Or we organize cooking in the park and everyone cooks something different. This exchange of different knowledge, customs and traditions is something positive for me”.*

*Diversity*

In comparison with the clear importance of the human capital and the functional, economic and aesthetic attributes of Akadimia Platonos, diversity constitutes only in part a motivating factor for entrepreneurs to set up their business in the neighbourhood. In this section, we examine the impact of different forms of diversity (diversity in professional activities, social diversity, ethnic diversity and diversity in lifestyles and attitudes) on entrepreneurs' decision to set up a business in Akadimia Platonos.

Diversity in professional activities affects positively entrepreneurs' decision to locate their business in the neighbourhood. The high concentration of professionals and employees creates demand for new services. In this respect, one of the respondents (R14: male, 26, coffee shop-snack bar) states:

*"When we opened this business, ten years ago, the neighbourhood was full of businesses, garages, printing shops, private companies... it was crowded here. And there was no coffee shop to serve all these professionals. That's why we decided to open a coffee shop. And businesses kept increasing".*

Diversity in professional activities also favours synergies. Some entrepreneurs locate their businesses in the neighbourhood in order to be close to professionals with whom they collaborate. This is the case of R10 (male, 30, engineering office, Greek):

*"Diversity in activities was a motivating factor for me... the fact that this neighbourhood is 'dirty'. [...] I mean it is not a posh neighbourhood nor mono-functional. One can find everything here: industries, merchants, wholesalers, logistics, jobs related to mine".*

However, the mix of professional activities is perceived by some entrepreneurs as a negative condition for the development of their entrepreneurial activity. Especially entrepreneurs engaged in commercial activities and everyday services or engineers argue that the lack of regulation in the spatial distribution of activities prevents the creation of small professional clusters, which could be beneficial for the development of certain businesses. This ambiguous impact of diversity in professional activities is clearly highlighted by R8 (male, 34, engineering office, Greek):

*"I would prefer it if there was a kind of order. If there was certain place for each activity, where similar professionals could concentrate and collaborate, a place of reference. But, everything is dispersed here: engineering offices, butcher shops, clothing crafts... We'd rather find a fine balance".*

Contrary to the diversity in professional activities, the social diversity of the neighbourhood does not seem to be a motivating factor for entrepreneurs' locational choice. As already mentioned, although Akadimia Platonos is a socially diverse neighbourhood and entrepreneurs foresee a large and diverse clientele, they mostly target what they call 'high-quality' customers, namely individuals of medium or high income. In this sense, they are rather indifferent to the coexistence of individuals and households of diverse socio-economic background in the area. But, during the last decades, entrepreneurs face a decreasing local demand, losing mostly a part of their 'high quality' clientele: in the late 1990s and early 2000s, a significant part of local middle and upper classes left the neighbourhood, seeking for better living conditions in the suburbs.

Additionally, after 2007 and the outburst of the economic crisis, austerity measures further reduced incomes of most of the households remaining in the neighbourhood.

During the last years, some of the entrepreneurs remark a diversification in the age profile of the neighbourhood's population, with many young people settling in Akadimia Platonos. According to R5 (female, 38, coffee shop-restaurant, Greek), it seems that the arrival of these newcomers of young age is a motivating factor for entrepreneurs (especially those engaged in leisure activities, such as coffee shops, bars and restaurants) to establish new or adapt their professional activities in order to meet the needs of this active population group that consumes more than others:

*"We try to attract young customers, especially since residents in Akadimia Platonos are changing. New and young people settle here and we'd like to integrate them into our clientele... also for economic purposes... this would increase our profits".*

As for ethnic diversity, the presence of immigrants of various different nationalities in the neighbourhood is viewed both positively and negatively and perceived differently by Greek and migrant entrepreneurs. The latter rely significantly on migrant population to establish their business and assure their clientele. However, they mostly rely on the presence of compatriots (who provide help with renovation works and shopkeeping and constitute an initial customer base) and not necessarily on the presence of immigrants of all different ethnic origins. In this sense, migrant entrepreneurs are rather indifferent to ethnic diversity.

As for Greek entrepreneurs, they have a neutral perception of the presence of migrant groups. They see it neither as a positive nor a negative condition of the creation and the operation of their business. Thus, they keep distance from stereotypes that are usually (re)produced by the media and link the presence of immigrants in the neighbourhood with insecurity.

Nevertheless, some of the Greek interviewed entrepreneurs stated clearly that they do not consider immigrants to be "good customers" since they often face economic difficulties, do their utmost to save money instead of consuming or prefer "ethnic" businesses in order to support co-ethnics. The statement of R17 (female, 39, grocery store, Greek) is indicative:

*"Immigrants do not support us. Can a Pakistani support my business? They live all together in fifty square meters, twenty persons in less than fifty square meters... they buy only the basics and if some of them opens a business they all do their shopping there".*

It is important to underline that the social and ethnic diversity of the neighbourhood does not relate at all to the operation of certain businesses that manage to build a very specific and narrow customer base. Paradoxically, this is the case for some cultural businesses (such as theatres), which are generally expected to attract a diverse clientele. Nevertheless, they actually attract customers of a very specific social and ethnic profile, almost exclusively Greeks of middle to upper class, high education and young age, who additionally are not residents of the neighbourhood.

To close with diversity in lifestyles and attitudes, some of the respondents explained that they face difficulties in handling diversity when planning the products and the services of their business in order to meet all different consumer habits, needs and tastes. This

concerns both Greek and migrant entrepreneurs, such as R8, a Greek civil engineer, and R35, an Albanian owner of a hairdressing salon-jewelry shop:

*“This extreme diversity in ethnic groups and the mobility of these groups are not very helpful for a businessman to have a regular clientele with specific needs”. (R8: male, 34, engineering office, Greek)*

*“Our customers vary from people who are unemployed to people who may still earn 2,000 euros per month. [...] It is difficult for the entrepreneur to plan services for five different social classes. [...] The same thing goes for different ethnic groups. You don’t know the preferences, the tastes, the habits... It is very difficult to deal with this, it needs time and experience”. R35: male, 45, hairdressing salon-jewelry shop, Albanian)*

### 3.4. Selecting the line of business

Amongst our respondents we find a number of professionals who have initiated their business activity after having followed higher studies. This is the case of teachers, doctors, artists, engineers etc. To give an example, one of the respondents (R24: female, 35, multi-purpose art space, Greek) described the professional profile of the business’s partners and employees:

*“One of the two partners is a director and the other is an architect, charged to design the plans of this space and the stage backdrops. There are employees specialized in administration and management and, of course, drama school graduates”*

On the contrary, in the commercial and manufacturing sector, the entrepreneurs got familiar with their job empirically (working at first as employees) or they were “trained” by relatives, sometimes following a long intergenerational professional tradition. In this case, it is common that entrepreneurs inherit the business from their family or get a significant economic support to set up their own. During their career, some of them upgrade their skills following training programs in technical schools. The experience of R20 (male, 52, clocks and jewellery shop) is indicative:

*“This is a job that my father knew how to do, my grandfather and my great-grandfather as well, and that’s how I learned it. My family originates from a village in northern Greece, a beautiful village with quarries, goldsmiths and silversmiths. [...] I worked in my father’s business, which I inherited when he passed away, and I also learned new job skills in a watchmaking school”.*

As noted in the previous section, other entrepreneurs select the line business attempting to take advantage from opportunities in the local labour market, such as filling a certain gap in the existing professional activities.

In the case of migrant entrepreneurs, selecting the line of business relates to similar reasons. Some of them engage in business activities based on technical skills that they acquired in home country. Others follow new technical training in Greece as well. This is the case of the Albanian and the Pakistani hairdressers R35 and R39. It is also usual that migrants set up a commercial business following the example of co-ethnic relatives, such as the Pakistani retailer R4. As for migrants who acquired higher skills in their country, it is usual that they do not manage to find in Greece a job according to their skills, which is described in literature as a procedure of ‘de-specialization’ (Kasimis and Papadopoulos,

2012). In fact, they undertake flexible and low-paid jobs, usually in the informal economy: men are massively employed in the construction sector and women are often employed in services of housing cleaning, elderly and child care or sewing at home (Hadjimichalis and Vaiou, [1997]2003; Lazaridis, 2000; Tastsoglou and Hadjicostandi, 2003).

### 3.5. The availability of advice, start-up support, and finance

In order to set up their own business, most of the interviewed entrepreneurs did not rely solely on their own economic power but they also received some kind of initial support. This support may be a start-up financial capital, as well as the transmission of general information and professional knowledge or the sharing of networks of social contacts. In most cases, the support of any kind is provided by family and friends, while very few entrepreneurs seem to trust official institutions, such as banks or state actors.

To begin with material support, as already mentioned, it is very common that entrepreneurs inherit their business from relatives. In case there is not an already established business, it is also common that parents allow their children to use a part of their house to set up a home-based business. Alternatively, children are offered a start-up capital to rent a workplace, proceed to renovation works and buy the necessary equipment and commodities.

Especially migrant entrepreneurs often rely on relatives and friends who lend them money in order to establish their own business. Furthermore, relatives and friends usually provide help with the renovation works, as already mentioned. This is also a common practice for Greek entrepreneurs, especially in the case of collective businesses, namely in case of partnerships, associations and non-profit organizations. Colleagues and friends also help with the renovation works, they donate equipment that they no longer need and, if they are suppliers, they accept to be paid on credit not in cash. As R38 (female, 40, multi-purpose art association, Greek) explained:

*“We had no official support, only friends who helped us unofficially, through donation and offers. Otherwise, it wouldn’t be possible. Some friends sold us products on credit, others helped with renovation works, gave us personal stuff and equipment [...] and everything else was done by our own forces”.*

Interviewed entrepreneurs who had no support for initiating their business, relied exclusively on personal savings or on income from a parallel professional activity, while in case of joint businesses they shared the expenses with their partner. In any case, with or without family and friendly support, very few of the interviewed entrepreneurs contracted bank loans: some of them borrowed money from a bank at the starting-up of their business and the rest borrowed money some years later, in order to expand their facilities or enrich their products and services. Last, also very few of the interviewed entrepreneurs benefited from state and European start-up funding, facing however serious bureaucratic inefficiencies and delays. According to R27 (male, 45, automatic control systems, Greek):

*“To open this branch office, we spent our savings of the last ten years. We bought a car, tools, furniture and laboratory equipment which is very expensive. We also had the chance to get a state and European start-up funding. Of course, we faced many bureaucratic barriers and we finally got the money two years later”.*



Last but not least, beyond material support, many of the interviewed entrepreneurs were provided with knowledge and useful information by experienced relatives and friends in order to improve their job skills and their ability to communicate with customers or face practical issues such as book-keeping and accounting. Furthermore, many respondents benefited from family's and friends' social networks which helped them to build and enlarge their clientele. In the case of migrant entrepreneurs co-ethnic social networks are of crucial importance, especially for setting up a business at the beginning of their stay in Greece.

### 3.6. Conclusions

To draw some general conclusions, according to the interviews, there are various motivating factors for the development of entrepreneurship in the neighbourhood of Akadimia Platonos. These motivating factors are in line with those revealed already in the literature and related to the entrepreneurs' social background, their individual preferences and perceptions, as well as country-, city- and neighbourhood-specific variables (Armington and Acs, 2002; Blanchflower, 2004; Freytag and Thurik, 2007; Grilo and Thurik, 2008). Among all different motivating factors for entrepreneurial engagement and the locational choices of entrepreneurs, social networks (including family bonds and friendly contacts) are proved to be particularly important for both locals and immigrants, as many scholars have already stated (Granovetter, 1985; Klyver et al., 2008; Portes, 1995; Waldinger, 2003).

To begin with motivations for establishing a business in general and getting involved in a specific sector, they strongly relate to the entrepreneurs' educational and professional background. At the same time, family environment proves to be a significant factor for engaging in a business, especially for entrepreneurs whose relatives have a similar professional experience or already own a business. And last, especially after the outburst of the economic crisis and despite the high risk entailed, people initiate their own entrepreneurial business (instead of working as employees) seeking a way out of long-term unemployment and job insecurity.

Entrepreneurs very often establish their business making use of some kind of initial support offered by their family or friends. This support comprises start-up financial capital as well as transmission of information and professional knowledge or the sharing of networks of social contacts. We met only few entrepreneurs who searched for official support and contracted a bank loan, while only few a well profited from a state and European start-up funding.

Concerning motivations for establishing a business in the neighbourhood of Akadimia Platonos, the interviews revealed a wide range of crucial factors; they vary from individual motivations and perceptions of the neighbourhood to certain functional attributes of the built environment, economic opportunities in the local market, aesthetics of the building stock, as well as the local human (social and ethnic) capital. One of the most important individual motivations is the emotional attachment to the neighbourhood, especially for people who were born and raised there or have been residents in the area for a long period. In this case, the already established social networks are of particular importance, as part of the neighbourhood's human capital and part of the businesses' customer base. As for the functional, economic and aesthetic attributes of the neighbourhood, the interviewed entrepreneurs are attracted by the

proximity and good connection to the city centre and other areas, the quality of public infrastructure, low rental prices, the characteristics of the available building stock, the vibrant local market, even the existence of the archaeological site and its perspective to evolve into an important tourist attraction.

Diversity of the neighbourhood is only partially a motivating factor for entrepreneurs to set up their business in Akadimia Platonos, which is also observed by scholars in other European cities' neighbourhoods (Nathan, 2011; Alexandre-Leclair, 2014). In fact, when entrepreneurs draw their initial business plan, diversity is perceived in multiple and ambiguous ways.

Diversity in professional activities affects positively entrepreneurs' decision to locate their business in the neighbourhood, since it creates a vibrant local market with high demand for new services and products, and favours synergies. However, there are certain limits in this positive view of diversity: the absolutely unregulated mix of entrepreneurial activities is sometimes negatively viewed by entrepreneurs who seem to be more favourable in some kind of small-scale zoning or clustering of similar and complementary activities.

Unlike diversity in professional activities, social diversity does not constitute an influential factor for the establishment and development of entrepreneurship in the neighbourhood. Although Akadimia Platonos is a socially diverse neighbourhood and entrepreneurs foresee a large and diverse clientele, they mostly target what they call 'high-quality' customers, namely individuals of medium or high income. However, once their business starts running, they actually gain and benefit from a socially diverse clientele. But, this is more a non-planned result of setting up a business in a socially diverse neighbourhood rather than the outcome of their initial business plan and strategy.

As for ethnic diversity, the presence of immigrants in Akadimia Platonos is viewed both positively and negatively and perceived differently by Greek and migrant entrepreneurs. For the former, the presence of immigrants is not a motivating factor to set up their business in the neighbourhood, while many Greek entrepreneurs consider immigrants to be 'bad customers'. On the contrary, migrant entrepreneurs significantly rely on the presence of compatriots in the neighbourhood, since they usually provide help and constitute an initial customer base. But, migrant entrepreneurs rely especially on the presence of co-ethnics in the neighbourhood and not necessarily on the presence of immigrants of all different ethnic origins. In this sense, migrant entrepreneurs as well are rather indifferent in ethnic diversity.

Last, diversity in lifestyles and attitudes poses difficulties to entrepreneurs when they are planning the products and services of their business in order to meet all different customers' needs and tastes. Coping with many different consumer habits is not an easy question. However, difficulties posed by diversity do not constitute a deterrent factor for the development of entrepreneurship; but, certainly, diversity constitutes a complex condition that entrepreneurs need time and effort to deal with.

## 4. Economic performance and the role of urban diversity

### 4.1. Introduction

In contrast to pure “market” approaches – see Granovetter’s critique (1985) –, economic sociology examined the relation of entrepreneurship and economic performance with factors like social networks, contextual variables and the socio-demographic characteristics of entrepreneurs, those parameters that, according to Audretsch and Keilbach, form “entrepreneurship capital” (Audretsch and Keilbach, 2004). Social capital (formal, informal or both) emerged as one of the most important factors for upward economic performance of businesses (Portes and Sensenbrenner, 1993; Völker and Flap, 2004; Pichler and Wallace, 2007). At the same time, it has been shown that the locality in entrepreneurs’ social capital has positive impact on economic performance, as stressed by Schutjens and Völker (2010): contesting the argument that local social networks are losing significance because of the new means of communication and transportations, they claimed that social contacts in the neighbourhood still matter and positively relate to entrepreneurial success. Additional positive factors for entrepreneurial success relate to contextual variables. Among them, the growing diversity of cities is considered to be one of the most important. Especially ethnic diversity has been thoroughly studied and proved to be significantly beneficial for the increase of wages but also for productivity, knowledge creation, innovation, creativity etc., at least in the long term (Alesina and La Ferrara, 2005; Ottaviano and Peri, 2006; Nathan, 2011). Last, a special interest developed around the contribution of the so-called “creative class”. It has been considered that creative entrepreneurs have a strong preference for cultural diversity and constitute key drivers of economic growth (Florida, 2002; Boschma and Fritsch, 2009), which is not confirmed though in all different contexts (for USA see Glaeser, 2005; for UK see Nathan 2015).

In the case of Greece and the city of Athens, over the last few years, research attention has turned to the study of the economic performance of businesses under conditions of a deep and continuing economic crisis. The Hellenic Statistical Authority estimates that turnover in retail trade has dropped by almost 40% since 2008 (ELSTAT, 2015). At the same time, closed businesses in the city centre of Athens reached 32% in 2013 compared to 16% in 2010 (INEMY-ESEE, 2015: 4), which varies with the street, the neighbourhood and the type of business (Balampanidis et al., 2013). In this context, scholars focused on entrepreneurial relationships and competition especially between Greek and migrant entrepreneurs (Tsiganou, 2013) and stressed the significant contribution of cultural diversity and “migrant entrepreneurship” to the attractiveness of the city (Mavrommatis, 2008) and the regeneration of local markets (Balampanidis and Polyzos, 2016).

In this section, we provide more insight into developments concerning the economic performance of businesses in the specific neighbourhood of Akadimia Platonos: we describe changes in the local economy and explore the key factors that favour or hinder entrepreneurial success, such as the importance of locality in the entrepreneurs’ networks of customers and suppliers or the role of diversity in the neighbourhood. The current economic crisis crosses all research findings, while its impacts vary according to the type of businesses.

## 4.2. Economic performance of the enterprises

At the beginning of the operation of their business, most of the interviewed entrepreneurs had a moderate but sufficient income which was gradually increasing in the following years. For long established businesses in the neighbourhood of Akadimia Platonos, the 1980s, 1990s and early 2000s marked a period of a remarkably upward economic performance. As R20 (male, 52, clocks and jewellery shop, Greek) explained:

*“Since the 1980s, the economic performance of my business has absolutely been on the rise. Over the years, my profits increased by 20%. Of course, other colleagues’ profits in other neighbourhoods increased by 40% or even more”.*

The most recent period of high economic performance was the period around the Olympic Games 2004, especially for businesses related to the construction sector, such as businesses selling raw materials and equipment, businesses specialised in technical installations and maintenance works, engineering offices etc.

Through the upward economic performance of their business, it is usual that entrepreneurs managed to improve their social status and the living standards of their family: they bore the cost of their children’s studies, bought a car or even a second one, moved to a bigger apartment or got their own. While improving their living conditions, they did not leave their neighbourhood, which is a usual phenomenon in several central neighbourhoods of Athens, described in literature as “spatially entrapped social mobility” (Maloutas, 2004). One of our respondents (R26: male, 60, microbiology laboratory, Greek) gives a clear example:

*“We have always been living in Akadimia Platonos and we still live here, but we managed to rebuild and extend my wife’s family house. [...] I had not had a car but I bought one, my wife also bought her own few years later and we have changed both of them. It is clear that our life has been upgraded”.*

The social and residential upgrade of the entrepreneurs through the upward economic performance of their business is also true for immigrants. After many years spent in Greece, some of them managed to fund their children’s studies, improve their living conditions and acquire property both in the host country and the country of origin. One of our migrant respondents (R39: male, 48, hairdressing salon, Pakistani) gives a characteristic example:

*“Five years ago, I got a loan from the bank and bought a store in the city centre of Athens. It is 20 square metres and costs 45,000 euros. I rent it out for 800 euros per month to an immigrant from Bangladesh. [...] Back in Pakistan, I own three stores and I also own land. If I go back home, I will not die, I will have an income from the rents”.*

For most of the interviewed entrepreneurs, the economic performance of their business has dramatically decreased since the outburst of the financial crisis in 2008. The successive cuts in wages and pensions as well as the increase of unemployment have led to a drastic decrease in the purchasing power of households and, therefore, in the profits of businesses, primarily those active in commercial activities and everyday services but also in the construction sector, culture, education, sports, health etc. Along with the decline of turnover of the businesses, which varies from 40% to 90%, there have been significant increases in fixed costs, such as taxes, insurance contributions and operating

expenses. One of the respondents (R3: male, 53, grocery store, Greek-American) gave us some hard figures revealing the changes in turnover and profits of his business:

*“To give you some figures, until 2008, the turnover of my business was ranging from 1,200 to 1,600 euros per day. With the profit being about 10%, I was earning more than 200 euros per day. Today, 200 euros per day is my turnover, which means that my daily profit is not more than 20 euros”.*

In order to face the deepening economic crisis and the dramatic decrease in turnover and profits of their business, entrepreneurs had to proceed in staff reductions, especially in the case of medium businesses or even in the case of non-profit businesses, associations etc. Some of them are highly indebted, unable to afford rentals, taxes and insurance contributions. As for entrepreneurs whose profits dropped by more than 80%, they are at risk of closing. Hence, closing down of both Greek and migrant businesses is a usual phenomenon that one can notice walking in the neighbourhood, even along central commercial streets.

All interviewed entrepreneurs agree that the main reason for the dramatic decrease of their turnover and profits is the current economic crisis, which led not only to the reduction of the households' purchasing power but also to a general sense of insecurity. Most of the respondents talked about a 'bad psychology' of consumers, attributed to specific recent economic developments (such as the emergency measure of capital controls in June 2015) but also to political instability (caused by the announcement of two national elections and a referendum in just one year).

Beyond economic and political developments, our respondents highlighted additional reasons for the decline of their turnover and profits, not related to the current crisis. Especially for entrepreneurs engaged in commerce, one significant reason is the boom in shopping malls during the last decade, which, along with the lack of regulation concerning land uses and products, creates an extremely competitive and hostile business milieu for small firms and local businesses. As stressed by R21 (female, 68, frozen foods, Greek):

*“The competition here is very high. Our business is located among three supermarkets and among many butcher shops which also sell frozen foods [...] It is crazy that a butcher shop can sell frozen fish and cheese”.*

Another reason stressed by the interviewed entrepreneurs for the decline of their turnover and profits relates to the ethnic composition of the neighbourhood's residents. The high presence of immigrants and Roma is perceived as an essential factor of the neighbourhood's degradation and the economic decline of businesses, since immigrants are not considered to be “good clients”. One of the respondents (R17: female, 39, grocery store, Greek) gives some reasons why:

*“Beyond the crisis, a lot of immigrants have settled here. What can they buy? They save money and send it back to their country. [...] They work in Greece but spend their money abroad. [...] Of course, they support their compatriots' businesses. [...] They only come to do shopping in my store to get rid of counterfeit banknotes”.*

But, while some Greek entrepreneurs consider immigrants to “be a problem”, migrant entrepreneurs actually seem to “have problems” that are not only related to the above-

mentioned conditions (economic crisis, political instability, lack of institutional regulations). For some migrant entrepreneurs, the decline of their turnover and profits is also due to racist attacks provoked by rioting members of the extreme-right wing party Golden Dawn, such as burning down or destroying migrant businesses. These incidents of racist violence spread fear to clients (both immigrants and Greeks) and led some immigrants to leave the neighbourhood or even the country. As R4 (male, 31, grocery store, Pakistani) explained:

*“The year 2012 was a difficult year, in general. Not only for my own business. Members of the Golden Dawn party started riots, came and destroyed my store. They broke the window and it was difficult [...] People stopped going out, they were afraid. Everyone was afraid in the neighbourhood. And lot of my compatriots left back to Pakistan out of fear”.*

Despite the general decline in turnover and profits of businesses described above, some of the interviewed entrepreneurs not only resist the crisis but perform better than in the past. To give a characteristic example, professionals that tended to disappear, such as tailors and shoemakers, gain more and more clients after the outburst of the crisis, since many people started having their clothes and shoes repaired. Another example of high economic performance in the midst of the crisis concerns a local coffee shop-restaurant whose owners proceeded to renovation works, improved their products and services, modified their opening hours, implemented new ideas and new tools of advertising. Thus, during the last five years of a deep crisis, they managed to attract new customers and increase their profits even by 50%. This is the case of R5 (female, 38, coffee shop-restaurant, Greek):

*“The economic performance of our family business reached its peak during the last five years, when we spent money for renovation works, changed the menu, fixed live music events and, thus, increased our profits. [...] We also extended our opening hours. From morning to evening hours or at weekends, we serve different types of customers, from older to younger people. [...] We worked much for the advertisement of the business, we have our own website and page on Facebook [...] We managed to attract tourists... [...] And we take part in common actions and initiatives in the neighbourhood”.*

The economic performance is still high also for certain innovative businesses (such as businesses of high technology products and services) and certain creative businesses (such as engineering offices) that address to a “high quality” clientele. Their customers vary from upper class households living in the suburbs to big firms and industries established in the region of Attica, in other regions of Greece or abroad. In the case of other creative businesses, there is no remarkable increase in their economic performance but certain stability. For example, non-profit art businesses and associations have not lost their members. As for businesses like theatres and multi-purpose art spaces, they have always had ups and downs in their economic performance, depending on the subjective taste of their audience, as explained by R24 (female, 35, multi-purpose art space, Greek):

*“In our case, the economic performance is a question of subjectivity. We may stage a play that we consider to be artistically perfect but the audience or the critics may not like. [...] During the last years, our plays are successful and we have a good economic performance. However, next year we may stage a play with no success. And that would cost us a lot”.*

To close, the newly established entrepreneurs in the neighbourhood of Akadimia Platonos (engaged mostly in creative and innovative businesses) could not give us

comparative figures concerning their economic performance over the past years. As newcomers, they are optimistic, rely on their will to work and plan to gain customers through products, services and facilities of high quality and originality.

### 4.3. Markets, customers and suppliers

Exploring the profile of customers and suppliers of the businesses in Akadimia Platonos, it will be shown here that social and ethnic diversity in the neighbourhood has a positive impact on economic performance. Additionally, all types of customers' and suppliers' networks (local, supra-local and transnational) constitute an important factor for economic stability or even for the increase of turnover and profits, depending though on the type of business.

To begin with social diversity in the neighbourhood, most of the businesses (especially those active in commercial activities and everyday services) benefit from a socially diverse customer base, namely from a large variety of incomes that can support the local economy. Especially until the outburst of the crisis, middle to upper class customers contributed to the increase of the businesses' turnover and profits, but also lower to middle class customers constituted a large customer base that could guarantee a stable income to entrepreneurs. As explained by R20 (male, 52, clocks and jewellery shop, Greek):

*"In Akadimia Platonos, always lived a rich social mosaic: mainly lower and middle class households but also upper classes. Until recently, the latter constituted about 20% of my clientele. By chance, there would also be some rich businessmen".*

Beyond social diversity in the neighbourhood of Akadimia Platonos, ethnic diversity is also a beneficial factor for the economic performance of businesses, both Greek and migrant. Most of the interviewed entrepreneurs have an ethnically diverse clientele. Among immigrants of various nationalities, Albanians are considered to be the "best foreign clients", since they constitute the largest, most integrated and well-paid migrant population. The ethnically diverse clientele is beneficial not only for Greek but also for migrant entrepreneurs. The latter rely significantly on clients of the same ethnic origin but they are looking and manage to have an ethnically mixed clientele, Greeks included. As stressed by two migrant respondents:

*"About 70% of my customers are Greeks. Most of my customers are Greeks and Albanians... also from Bulgaria... immigrants of all ethnic origins that live here. And 30% of my customers are Pakistanis". (R4: male, 31, grocery store, Pakistani)*

*"We have customers of all ethnic origins. To be honest, I am glad for this. I wouldn't like to have an 'ethnic' hairdressing salon". (R35: male, 45, hairdressing salon and jewellery shop, Albanian)*

The social and ethnic profile of businesses' customers in Akadimia Platonos has significantly changed since the early 1990s. Over these years, an important part of middle to upper class households left the neighbourhood and searched for better living conditions in the suburbs. At the same time, immigrants arriving in Athens from many different countries took their place. Through this change of the neighbourhood's population, local businesses lost an important part of their "high quality" clientele. This got even worse after the outburst of the crisis, when residents of all social categories and



ethnic origins in the neighbourhood got poorer. Today, according to the interviewed entrepreneurs, the clientele of their businesses includes impoverished lower to middle class households, customers with serious economic difficulties multiply and only few migrant customers can still afford shopping beyond the essential supplies. In general, customers consume less, they usually buy on credit and some of them owe the entrepreneurs money. Only civil servants are currently considered to be “good clients”, since they still have a stable income. As for migrant customers, opinions are divided: some of the respondents consider immigrants to be “bad clients”, since (in their opinion) they only support businesses of their compatriots and they have very low consumption power. On the other hand, especially in the midst of the crisis, immigrants are considered to be “reliable” as clients, since they are used to saving money and experienced in handling conditions of economic instability. As explained by R16 (female, 47, tailor, Albanian):

*“Many customers have left me clothes to repair and they never came to pay and take them back. Usually, they are Greeks. [...] It is rare for immigrants to miscalculate, but not for Greeks. Greeks have not realised yet their economic situation and have difficulties in handling the crisis. On the contrary, immigrants are used to economic planning, a planning of simple living”.*

For most of the businesses in Akadimia Platonos, the majority of customers are settled in the neighbourhood. Especially private or non-profit businesses and associations active in cultural and athletic activities (dance, music, theatre, sports etc.) manage to gain a significantly diverse local clientele: people of lower to middle income, people of low to higher education level, children, young and elderly people, Greeks and immigrants, women and men, as well as disabled people. As three of the respondents explained:

*“About 80% of our customers are residents in the neighbourhood. [...] Mostly middle class but also poor people who pay for a dance class of their children despite their economic difficulties. [...] As for the ages of our customers, there are from three years old children to more than 60 years old people”.* (R33: male, 42, private dance school, Greek)

*“We have classes also for disabled people and other ‘minorities’ - a word that I don’t like - such as immigrants”.* (R38: female, 40, multi-purpose art association, Greek)

*“We have many athletes who are immigrants. This sport association is not reserved to Greeks, though I try to keep a certain (ethnic) balance. [...] Most of our foreign athletes are Albanians but we also have a lot of Afghans, Egyptians, Romanians, etc. [...] We are all together for years and I forget that they are foreigners, I consider them to be Greeks. Because we speak the same language, we have similarities, we integrated them”.* (R37: male, 42, sport association, Greek)

Beyond customers who are settled in the neighbourhood, most of the businesses in Akadimia Platonos also have a supra-local clientele, including customers from neighbouring or distant areas of Athens, even from other regions of Greece. This is true for almost all types of businesses, namely commercial stores, private or non-profit businesses and associations active in cultural and athletic activities, engineering offices etc. According to the interviewed entrepreneurs, customers who are not settled in the neighbourhood prefer their businesses because of their good and wide reputation, deriving from their high skilled staff (such as highly qualified teachers, artists, coaches etc.), as well as the quality of their services and certain specialized products that one



cannot find easily in the city (such as clothes in extra-large size). After the outburst of the crisis, some of the businesses have lost part of their supra-local clientele and currently attract clients almost exclusively from the neighbourhood.

Contrary to the majority of businesses that have a significantly diverse and local clientele, some of the businesses engaged in cultural activities have a more particular group of customers, usually not settled in the neighbourhood. This is the case for certain theatres and multi-purpose art spaces that manage to attract mostly young people, middle to upper income and higher educational level, who are rarely immigrants and residents of the neighbourhood. According to R24 (female, 35, multi-purpose art space, Greek):

*“Compared to other theatres, we address to an audience of younger age. [...] I think that ages vary from 35 to 55. [...] According to a short research we conducted, our customers are usually highly educated, people of middle income, though our prices are not high. [...] Our customers are barely settled in Akadimia Platonos. I have met people in the neighbourhood who told me that they did not even know that this art space exists. [...] People living in this neighbourhood are not used to going out to the theatre. They choose other forms of entertainment. [...] Immigrants are not included in our clientele”.*

Other cultural businesses, active in organising big cultural events, address mostly to large customers, such as big companies, advertising agencies, casinos, shopping malls, hotels etc.), settled in the periphery of Attica, in other Greek cities, even abroad. And last, the few examples of innovative businesses (active in high technology products and services) address exclusively to big companies and industries, settled in many different cities of Greece but also in cities of Europe and USA.

Contrary to the customers of the businesses who are mostly settled in the neighbourhood (with the exception of the customers of certain businesses), their suppliers are mostly settled either in the city centre of Athens or in the periphery of Attica region and other regions of the country. This is true for all types of suppliers, usually including from small to medium businesses but sometimes also big companies, selling raw materials, building materials, clothes, sports equipment etc. Small to medium suppliers active in wholesale of common items (such as sewing materials, stationery, food etc.) can be found in the city centre. In this case, the entrepreneurs procure the products they need themselves. But, bigger suppliers (such as companies and industries active in production and wholesale of specialized products) are settled in the periphery of Attica region or even in distant cities. In this case, products are being ordered by phone and more recently via internet, while they are being delivered by trucks or by courier. In the past, some of the big suppliers (such as textile and garment manufacturing industries) were settled in the neighbourhood. But, after the gradual process of deindustrialization during the 1980s and 1990s, they have either been decentralized or disappeared. Last but not least, especially migrant entrepreneurs use to import products from their country, not directly but through transit countries, such as England.

Although the majority of suppliers are not settled in Akadimia Platonos, some of the common items that the entrepreneurs need can be found in the neighbourhood (such as food, drinks, small building materials and tools etc.). In this case, most of the interviewed entrepreneurs prefer to order products from local suppliers: firstly because communication and transfer is easier, cheaper and faster but also because they want to support the local economy. As R5 (female, 38, coffee shop-restaurant, Greek) explained:

*“We mostly prefer small and local suppliers. Of course, this is not possible for all of our products. But, regarding lunch meats, fish, bread, wines, etc., we buy them from stores in the neighbourhood. The only big company we are buying from is the shopping mall MAKRO, not food and drinks but raw materials”.*

#### **4.4. Relations amongst entrepreneurs: Evidence of competition or cooperation?**

According to the descriptions of most of the respondents, relations among entrepreneurs in the same neighbourhood are friendly, varying from professional contacts to more personal or even family relationships. It is usual that entrepreneurs, who are also residents in Akadimia Platonos, know each other before establishing their business, since they have long been neighbours, classmates in school, family friends etc. For most of the respondents, friendly relations among entrepreneurs create a favourable business milieu of professional solidarity, through the circulation of their clientele and through practices of mutual support: entrepreneurs recommend to their customers one another, buy products and order supplies from each other's business and, thus, increase their economic performance.

Diversity in the neighbourhood does not raise difficulties in the development of friendly relations among entrepreneurs. It seems that professional relations are not developed on the basis of the same ethnic origin, cultural background, life style etc. Nor are there entrepreneurs excluded from professional networks. Migrant entrepreneurs, for example, claimed to have friendly relations not only with their compatriots but also with Greeks, as in the case of R16 (female, 47, tailor, Albanian):

*“We all have good relationships. This is not just our neighbourhood but a friendly neighbourhood· very friendly. We use to recommend one another to our customers. When I don't have the time to repair someone's clothes, I recommend Thalia's business to my customer. And Thalia just brought me clothes from her business to repair, or Michalis brings me shoes. [...] We all put in a good word for each other to our customers, like 'he or she is doing good work”.*

Most of the interviewed entrepreneurs have a positive view of the existence of similar businesses in the neighbourhood. Although they compete with each other, they all together attract customers, creating a vibrant local market. This positive attitude towards other entrepreneurs includes not only entrepreneurs of the same ethnic origin but both Greeks and immigrants, as stressed by R34 (male, 60, men's XL clothing store, Greek):

*“We believe that it's good when the market is lively. And it's the same for us if this is because of our business or because of another. The important thing is that customers circulate. [...] Near our business, there is another store selling Chinese clothes, as well as many same businesses, Greek and migrant. All have a positive impact on our clientele. Chinese businesses have lower prices than ours. But, their customers also come to us”.*

Beyond the existence of good relations among entrepreneurs settled in the same neighbourhood, which is mostly the case, relations of jealousy and competitiveness also exist. After the outburst of the crisis and the following decline of businesses' economic performance, they clearly increased, especially among entrepreneurs active in the same sector. The most competitive relations develop between authorised entrepreneurs and

those working in the informal sector, both Greeks and migrants. As R35 (male, 45, hairdressing salon and jewellery shop, Albanian) explained:

*“Competition is not always healthy, honest and fair. [...] The biggest problem relates to unauthorised colleagues working at customer’s home. [...] They don’t pay for insurance contribution, they don’t pay taxes and they don’t have operating expenses”.*

To close, in the case of innovative businesses (such as those active in high technology products and services), entrepreneurs have no relations with others in the neighbourhood. This is because their networks of customers and supplies are mostly supra-local or even transnational, while entrepreneurs active in the same sector are very few not only in the specific neighbourhood but in the whole country.

#### 4.5. Long-term plans and expectations of the entrepreneurs

Under the current conditions of economic crisis, instability and insecurity in Greece, most of the interviewed entrepreneurs, especially those engaged in commercial activities and everyday services, make no long-term plans. Although they wish to proceed to renovation works or expand their products and services, they are pessimistic and reluctant, feel trapped, having no options and prospects. For the moment, it seems that the major concern of businesses is to manage to survive, even if they have no significant profits. As R18 (female, 41, clothing store, Greek) explained:

*“If I was able to afford it, I would make changes and I would upgrade my products like in the good old days. I have many ideas but I don’t have money. [...] It would make me feel better. If only I could make simple things”.*

Especially entrepreneurs of older age are thinking of closing down their business while they discourage their children from being engaged in it, even if they are specialized in this sector. With closed businesses dramatically increasing in Akadimia Platonos during the last years, many interviewed entrepreneurs are seeking opportunities to relocate their business in another neighbourhood, not so much affected by the current economic crisis, along a more vibrant and frequented commercial square or street. Alternatively, especially in the case of bankruptcy of the business, some of them are thinking of migrating and establishing a business abroad, in Northern Europe or USA. The thoughts and plans of R35 (male, 45, hairdressing salon and jewellery shop, Albanian) are indicative:

*“Every time I get mad and disappointed, I decide to close down this business and start working at home informally: no rent, no taxes, nothing. When I calm down, I decide to be patient, till the last day I can afford it. [...] My first thought is to relocate my business in another neighbourhood and my second thought is to leave abroad. [...] Switzerland or Belgium”.*

Regarding entrepreneurs whose economic performance is stable or even upward despite the long and continuing crisis, they are planning to expand and improve their products, services and facilities in order to attract more customers and increase their profits. Especially in the case of innovative and creative businesses, entrepreneurs are planning to launch outward-looking initiatives, such as broadening their transnational networks and collaborations with colleagues and customers in countries like Cyprus or other

countries of the European Union. According to R27 (male, 45, automatic control systems, Greek):

*“I think that our next move is to open up our market, especially in Cyprus. Because there are a lot of industries and we already have networks there. I think our next branch store or new company will be settled there”.*

#### 4.6. Conclusions

To sum up research findings on the economic performance of businesses in Akadimia Platonos, it seems that during the 1980s, 1990s and early 2000s, most of the interviewed entrepreneurs (both Greeks and immigrants, in all sectors) had a moderate but sufficient income at the start-up of their business, gradually increasing in the following years. This upward economic performance helped them to upgrade their social and residential status, without leaving the neighbourhood. But, as already stated in the literature (Audretsch and Keilbach, 2004), the economic performance of businesses is closely related to and influenced by local developments and contextual variables. In the case of Akadimia Platonos, after the outburst of the economic crisis in Greece in 2008, there has been a dramatic decrease in turnover and profits (especially in the commercial sector). The impoverishment of a wide range of households was the most important reason but still not the only one. Our respondents stressed two additional reasons: first, the lack of regulation of the market and land uses, which creates an extremely competitive and hostile business milieu for small firms and local businesses · and second, the loss of “high quality” customers who left the neighbourhood to settle in “good” suburbs and the arrival of foreign immigrants. However, despite the above stressed reasons, some of the businesses in the neighbourhood perform better than others and manage to increase their profits. Firstly, it is the case of few commercial businesses (such as coffee shops and restaurants) that proceeded to renovation works, enlarged their products and services and managed to attract a larger and more diverse clientele. But, it is mostly the case of innovative and creative businesses (such as high technology businesses, engineering offices or cultural businesses) that still have “high quality” customers, not settled in the neighbourhood but in the rich suburbs, other regions of the country or even abroad.

Diversity in Akadimia Platonos (both social and ethnic) seems to play an important and positive role in the economic performance of businesses, at least until the outburst of the crisis. Almost all types of businesses, both Greek and migrant, benefited from the social and ethnic mix in Akadimia Platonos, having a socially and ethnically diverse clientele, settled mostly in the neighbourhood. In other words, the existing social and ethnic capital in the neighbourhood had a positive impact on the economic performance of businesses, as many scholars have also observed in different European and north-American cities (Portes and Sensenbrenner, 1993; Völker and Flap, 2004; Pichler and Wallace, 2007; Schutjens and Völker, 2010). Especially until the outburst of the crisis, middle to upper class customers contributed to the increase of the businesses’ turnover and profits, but also lower to middle class customers, Greeks and immigrants constituted a large customer base that could guarantee a stable income to entrepreneurs. However, certain businesses (such as art spaces and innovative businesses) have a more particular clientele and rely mostly on supra-local even transnational networks. Their customers are mostly people of middle to higher social profile, they are rarely immigrants and rarely settled in the neighbourhood. Contrary to the customers, who are mostly settled in the neighbourhood for the majority of businesses, their suppliers are mostly settled either in the city centre of Athens or in the periphery of Attica region, other regions of the

country, even abroad. However, for common items (not specialised products and equipment in large quantities), entrepreneurs can find and prefer suppliers settled in the neighbourhood, since it is more practical and supportive to the local economy.

Beyond diversity, another beneficial factor for the economic performance of businesses in Akadimia Platonos is friendly relationships among entrepreneurs in the same commercial street or the same neighbourhood. Friendly relations among entrepreneurs of different ethnic origin, cultural background, lifestyle etc. create a beneficial business milieu of professional solidarity, which is proved to increase turnover and profits. Thus, most of the respondents had a positive view of the existence of “competitors” in the same neighbourhood (even in the same sector that they are active in) since they all together attract a large and diverse clientele and create a lively local market. Only entrepreneurs engaged in much specialised sectors (such as innovative and high technology businesses) have no relations with other entrepreneurs in the neighbourhood, since their professional contacts are not locally-based but mostly supra-local or even transnational.

To close with future business ideas, given that most of the entrepreneurs have been strongly affected by the current economic crisis (especially those active in commercial activities and everyday services), they are generally pessimistic and make no long-term plans. In the midst of a deep and continuing crisis, the majority of them are trying just to survive while others are thinking of closing down their business permanently, relocate it in another neighbourhood or even migrate abroad. Only few entrepreneurs, those who are resilient to the crisis and manage even to increase their profits, are planning to expand their products, services and facilities. This is the case for certain entrepreneurs engaged in innovative and creative businesses, planning to launch more outward-looking initiatives, such as broadening their supra-local and transnational networks and collaborations with colleagues, customers and suppliers in other cities of Greece or other countries in Europe and USA.

## **5. Institutional support and government policies**

### **5.1. Introduction**

In order to support the development and survival of entrepreneurship, central and local government often initiate special policies with more or less successful results. Among such policies, scholars have focused on taxation systems, employment protection legislation, product market regulation etc. (Torrini, 2005). Particular attention has been paid to the governance of the cities’ cultural diversity aiming to ensure labour market inclusion of immigrants and turn their increasing presence in urban space into a positive asset for economic performance (Syrett and Sepulveda, 2012). The governance of cultural diversity may include the institutional framework for immigration and citizenship, publicly funded initiatives to encourage the development of ethnic-minority businesses or policies to improve communication with ethnic entrepreneurs (Collins, 2003). Scholars question the effectiveness of these policies in the development of socially just and economically inclusive cities (Ram and Jones, 2008) indicating that there is a restricted understanding of the complex relationship between population diversity and economic development (Syrett and Sepulveda, 2011).

Addressing urban diversity in relation to ‘super-diverse’ populations seems to be a big challenge, particularly at a time when central and local governments are faced with increasing social inequality and large-scale cuts in public funding (Syrett and Sepulveda, 2012). Against this background, bottom-up initiatives and informal institutions are proved to be of particular importance. At the grassroots level, multiple forms of support schemes emerge, such as community organisations, non-profit businesses, NGOs etc. (Kemeny, 2012; Syrett and Sepulveda, 2012). Overall, the question is whether different types of support schemes (top-down and bottom-up initiatives, official and unofficial institutions), at various levels of governance and participation (local, supra-local and national), could lead to the regeneration of local markets, help entrepreneurs to face multiple effects of the current crisis, and contribute to the survival of entrepreneurship in the city’s neighbourhoods.

In this section, we explore support schemes that may enhance entrepreneurship in the neighbourhood of Akadimia Platonos, including from official government policies to unofficial grassroots initiatives. It will be shown that especially during the current economic crisis, support provided by central and local government is insufficient, while entrepreneurs become more and more disappointed and mistrustful towards official institutions. In this context, emerging bottom-up initiatives will prove to be of particular importance, probably being a partial solution to the dramatic decrease of businesses’ economic performance. It will also be shown that the appropriate form of support schemes and actions depends on the type of concerned businesses, since each of them (commercial, creative, innovative businesses etc.) has different special needs and prospects. Last, it will be clear that diversity is not put on the political agenda and, thus, there are no policies that directly address it, either as an asset that businesses could benefit from or as a parametre that may cause difficulties to entrepreneurship. At the same time, addressing diversity is not prioritised in the entrepreneurs’ needs and recommendations although they recognise and discuss both its benefits and difficulties.

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

Concerning official policies that enhance entrepreneurial activities, all interviewed entrepreneurs in Akadimia Platonos proved to be aware of the European funding programmes through the EU Regional Policy Framework. These programmes are widely known mostly through the media and the press but also through awareness campaigns organised by the local government (i.e. the Municipality of Athens). However, most of the respondents have a negative view of these funding programmes. They are dissatisfied with and mistrustful towards the complexity of the procedures, bureaucracy, delays in payments and financial return through taxation. As explained by R27 (male, 45, automatic control systems, Greek):

*“We had the chance to get a European funding. But, we faced many bureaucratic barriers and we finally got the money two years later. Now, we will give back half of the money through taxation. In other words, someone starts a project funded 100% by himself, he is subsidised at a rate of 50% by the European Union but gives back half of this 50%. Which means that the ‘subsidy’ is actually 25%”.*

So, due to the above-mentioned inadequacies, only few of the respondents have benefited from European funding programmes. The funds were provided to



entrepreneurs active in different sectors (such as commerce, engineering, cultural and athletic activities, innovative jobs etc.) and used for various purposes: to cover fixed rental costs and operating expenses, proceed to renovation works, buy modern machinery, equipment and products, create new jobs and recruit new staff or invest in innovative and environmentally friendly projects.

Beyond European funds, there are no funding programmes coming from the Greek central government, except for an annual state grant, provided by the Ministry of Culture to entrepreneurs engaged in cultural activities. Again, this funding programme was characterised by important delays in payments. What is more, after the outburst of the crisis and the following cuts in public expenditure, it no longer exists.

Apart from financial assistance, entrepreneurs have profited from assistance on professional training through educational seminars organised by the central and the local government in collaboration with professional associations. Since such public initiatives are few, entrepreneurs also benefit from similar initiatives taken by the private sector: to promote their products, large private companies often organise product exhibitions and training seminars (in-class or online), especially for entrepreneurs active in commerce, educational or athletic activities. As explained by R31 (male, 31, eyewear shop, Greek):

*“Big companies organise numerous seminars. My boss and I, we attend almost all of them... to know the developments on products and materials, we also travel abroad and visit international exhibitions. Unfortunately, in Greece, such initiatives no longer exist... We can also attend seminars online, in real time... again, organised by private companies, for free. [...] Well, some training seminars for the staff of the businesses are also being organised by our professional association in collaboration with the Ministry. We attend these seminars as well”.*

Despite the general lack in public supportive actions, an important initiative has recently been taken by the local government (i.e. the Municipality of Athens) with a view to initiating entrepreneurs into innovative practices. Through a newly founded service (the Pole for Innovation and Entrepreneurship INNOVATHENS), entrepreneurs are being advised by business consultants on future business plans and strategies. Additionally, entrepreneurs can attend numerous seminars for free in order to get familiar with new technologies and increase their economic performance. The municipal initiative of INNOVATHENS is well-known by the few innovative businesses in the neighbourhood but also by some of the interviewed entrepreneurs active in commercial activities. One of our respondents (R34: male, 60, men's XL clothing store, Greek) gave us some examples of the provided support that he was aware of:

*“Through INNOVATHENS, the municipality organises seminars concerning online commerce, namely e-shopping, the dangers of the internet etc. [...] They also give us the possibility to advertise our business for free through their official website”.*

None of the interviewed entrepreneurs referred to official policies that aim to address diversity for the benefit of businesses and their economic performance. For instance, there are no official policies to ensure businesses a large and socially diverse clientele, such as policies that favour social mix, discourage the leaving of higher incomes to the suburbs and attract dynamic population groups to the neighbourhood. At the same time, there are no official policies that address ethnic diversity of the neighbourhood, such as policies that encourage migrant entrepreneurship (through financial or other incentives),

facilitate interethnic co-existence and reduce professional conflicts and competition between entrepreneurs of different ethnic origin. Diversity is absent not only from policies concerning the development of entrepreneurship but also from all urban policies, as already stressed in previous DIVERCITIES reports: urban policies and initiatives do not deal with the issue of diversity *per se* but in a rather indirect way; ‘diversity’ appears as a term of public policy only when it is related to European Union-funded projects and activities and, in fact, reproduces discourses promoted by EU institutions in a rather ritualistic way (see WP4 report “Urban policies on Diversity in Athens, Greece”, Maloutas et al., 2014a, and WP5 report “Governance arrangements and initiatives”, Maloutas et al., 2014b).

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

According to the interviews, important support to entrepreneurs active in various sectors has been provided by their professional associations, at least until the outburst of the crisis. In the sector of commerce, for example, the Merchants Association and the Chamber of Trade used to organise training seminars, provide legal advice etc., while they were also in position to influence government’s decisions on market rules of fair competition, labour market regulations (concerning for example opening hours, holidays, insurance) and taxation. Especially in the neighbourhood of Akadimia Platonos, there used to be a local branch of the Merchant Association taking initiatives to attract customers and increase profits, such as special offers and discounts, promotion campaigns and advertising banners. In the sector of sports, the Sports Federation keeps trying to provide support for the training of the athletes and, mostly, their participation in local and international championships. Or, last, the Union of Tutors in private institutes still organises low cost seminars on teaching, marketing and advertising, and provides useful information, professional and legal advice.

Since the supportive initiatives of professional associations have significantly decreased during the period of the crisis, some of the entrepreneurs (in various sectors) have started organising alternative actions themselves or in collaboration with their colleagues in the same sector. Two of the interviewed entrepreneurs, active in commerce, gave us some characteristic examples of bottom-up initiatives (not only in the neighbourhood but also countrywide) aiming to attract customers and increase profits:

*“Last year, a colleague here had a nice idea. We would create a network of clothing stores in the neighbourhood and make our customers an offer: if they bought clothes from our network, they would have a discount of 15%”. (R7: female, 36, lingerie store, Greek)*

*“Our business is member of a network called AMA connecting about 60 eyewear stores throughout Greece. Our headquarters are located in Athens’ city centre and decisions are made by the management board. We all together order products from suppliers and we manage to buy them in lower prices. We have also patented our own products under a brand name and we often make our customers special offers. This is an initiative of about 10 years and it works well”. (R31: male, 35, eyewear shop, Greek)*

Other initiatives of entrepreneurs to face the crisis, reduce their expenses and increase their profits include partnerships, non-profit businesses and NGOs, especially in the case



of creative businesses, such as architectural offices, theatres and multi-purpose art spaces. Some of the non-profit businesses and NGOs active in culture are linked in citywide professional networks, connecting small to medium art spaces in order to collaborate in common projects, organise art events, promote the participation of theatre plays and dance performances in international festivals etc. Occasionally, they collaborate with the central and local government in mega events, such as the Olympic Games ten years ago or other local art festivals. Such initiatives barely manage to attract an audience settled in the neighbourhood and mostly have a supra-local impact. Thus, cultural businesses and NGOs settled in the neighbourhood often collaborate and launch advertising campaigns with a view to attracting also the interest of the local residents.

Relations between NGOs and private businesses are beneficial for both. Entrepreneurs engaged in commercial, educational or athletic activities provide financial help to NGOs through donations, advertisements in their printed material, sponsorship of their public events, housing them in their facilities, offering their services for free etc. All these supportive initiatives have a return profit for entrepreneurs, since they are being advertised in the neighbourhood, earn good reputation and gain local clientele.

*“Almost every year, we try to award scholarships to students whose family is facing serious economic difficulties, in collaboration with local NGOs supporting poor households. Of course, we don’t officially advertise these actions”. (R36: male, 55, private tutors school for secondary education, Greek)*

Last, most of the interviewed entrepreneurs are aware of and supportive to informal initiatives in the neighbourhood taken by local groups of citizens or NGOs and including actions of social solidarity, open public events at the central square, visits in the archaeological park etc. Entrepreneurs have a positive view of such bottom-up initiatives, which are considered to contribute to the upgrading and regeneration of the neighbourhood and, thus, increase the circulation of customers and create a lively local market.

Overall, bottom-up initiatives aiming at the amelioration of local living conditions and local economy, such as the local “residents’ committee” and the non-profit business “European Village”, are well-known and positively viewed by the interviewed entrepreneurs. On the contrary, citywide initiatives, taken by the civil society, political groups, the local or central government, are not well-known. For instance, none of the interviewed entrepreneurs was aware of the municipal initiative “Neighborhoods in action”, the non-profit organisation “Meet Market”, the organisation “Solidarity for All” created by members of the radical left party of SYRIZA, or the research project “Reactivate Athens” (for a detailed description of the top-down and bottom-up initiatives mentioned here, see the DIVERCITIES WP5 report “Governance arrangements and initiatives”, Maloutas et al., 2014b). Among the official top-down initiatives, the interviewed entrepreneurs knew only two: first, the “Pole for Innovation and Entrepreneurship INNOVATHENS”, launched by the Municipality of Athens in order to consult and train entrepreneurs on their business plans and strategies; and second, the public-owned SA “Unification of the Archaeological Sites of Athens”, which was responsible for regeneration works in the historical center of Athens until 2014, when it has been dissolved by the government within the framework of cuts in public expenditures.

#### 5.4. Policy priorities for entrepreneurship

More or less affected by the current economic crisis, most of the interviewed entrepreneurs expressed their disappointment and mistrust towards the policies of the European Union, the state and the local government. In order to face the multiple effects of the crisis, entrepreneurs ask for relief measures: decrease or suspension of insurance contributions, VAT and other taxes, even operating expenses of their businesses. According to R3 (male, 53, grocery store, Greek-American):

*“The only support that businesses need is reduction in insurance contributions and operating expenses, namely electricity. These costs are businesses’ biggest headache. [...] I need 15 euros per day for insurance when my daily profits are not more than 20 euros”.*

Concerning the existing policies of financial support, such as the European funding programmes, entrepreneurs would be particularly interested in them if required procedures and bureaucracy were simplified and more flexible. The simplification of bureaucracy is also necessary for businesses’ basic functions, such as accounting and bookkeeping, which still are very complex and time-consuming procedures. According to the experience of R34 (male, 60, men’s XL clothing store, Greek):

*“One of our biggest problems is bureaucracy. And public services are dispersed throughout Athens. All services should be organised electronically. And, still, we would not have time because procedures are complex and time-consuming. [...] We would also apply for European funding. But, again, we don’t have the time. Application procedure needs to be simplified”.*

Another kind of support that entrepreneurs ask for is not directly related to the operation of their businesses but concerns the regeneration of the neighbourhood. At this point, the entrepreneurs’ expectations coincide with those expressed by inhabitants in the DIVERCITIES WP6 report “Fieldwork inhabitants” (Alexandri et al., 2015). So, entrepreneurs expect from the local government to initiate urban policies, arrange for cleanliness, public lighting, large sidewalks and public infrastructure of high quality, open green spaces for neighbours, security for pedestrians, and recreation spaces for kids; in other words, policies addressing deprivation and creating a safe and lively neighbourhood. It is also expected from the central and local government to ensure that the archaeological site of Plato’s Academy will soon become a major tourist attraction and, thus, attract more visitors in the neighbourhood and customers for local businesses.

Especially entrepreneurs engaged in creative and innovative activities have more particular demands from the central and local government. In fact, they are particularly interested in more outward-looking government initiatives. They may include advertising campaigns of local businesses through official web sites and social media, place branding of Akadimia Platonos especially on the basis of its historic value, touristic promotion of the neighbourhood in collaboration with tourist agents and, last, connection between local businesses on the one hand, production industries and educational institutes on the other.

To close, addressing diversity is significantly absent from the entrepreneurs’ expectations, ideas and recommendations. Although they recognise and discuss both benefits and difficulties raised by diversity in the neighbourhood (diversity in professional activities, social and ethnic diversity, as well as diversity in lifestyles and attitude, see Chapter 3 and

4), they do not prioritise the question of diversity when discussing urban policies. This relates closely to the fact that the notion and term of “diversity” is not put yet on the official political agenda, not widely used in the public discourse and, thus, not commonly discussed in everyday life.

## **5.5. Conclusions**

According to the interviews, the most important official support (addressed to various types of businesses and used for multiple purposes) is provided by the European funding programmes. Although all entrepreneurs are aware of their existence, only few of them have profited from such funds, since they are dissatisfied with and mistrustful towards the complexity of application procedures, bureaucracy and delays in disbursements. At the national level, there used to be only a few state grants (addressed mostly to cultural businesses), which no longer exist due to the current economic crisis and the following large-scale cuts in public expenditures. However, in the midst of the crisis, an important initiative has been taken by the local government (i.e. the Municipality of Athens) that established the ‘Pole for Innovation and Entrepreneurship INNOVATHENS’. This agency may not offer financial support but provides entrepreneurs with know-how and skills in product, services and process innovation. Important support has been provided to entrepreneurs also by their professional associations, at least until the outburst of the crisis. Again, professional associations might not provide entrepreneurs with financial support but provide them with very useful assistance on training, advertising, employment protection legislation and market regulation, significantly contributing to the development and survival of their businesses.

Since official support is continuously decreasing due to economic depression and austerity measures, new support schemes are recently emerging instead. Entrepreneurs are self-organised through professional networks and look for new schemes to engage in commercial and other activities, such as partnerships, non-profit businesses and NGOs. These emerging schemes are not only locally based but also dispersed citywide or even throughout the whole country. Occasionally, such schemes collaborate with central and local government, especially in the case of non-profit businesses and NGOs active in cultural activities.

Given the disastrous effects of the crisis on businesses’ economic performance, entrepreneurs ask for relief measures as well as for the simplification of bureaucratic procedures. They also expect from the central and local government to initiate urban regeneration policies. Especially entrepreneurs engaged in creative and innovative activities have more particular demands. They suggest government initiatives like advertising of local businesses, place branding and touristic promotion of the neighbourhood, or connection between local businesses, production industries and educational institutes.

The question and challenge of addressing diversity in the neighbourhood is not included in the entrepreneurs’ expectations and recommendations to the local and central government. Although they recognise and discuss both benefits and difficulties raised by diversity concerning the development of entrepreneurship, they do not prioritise the question of diversity when discussing urban policies. Besides, the term and notion of “diversity” is not put on the political agenda and, thus, there are no policies that directly address it, either as an asset that businesses could benefit from or as a parametre that may cause difficulties to entrepreneurship.

## 6. Conclusion

### 6.1. Summary of the key findings

Summing up the most important conclusions of this report, we put the emphasis on three issues: diversity's role as motivating factor for the establishment and development of entrepreneurship, diversity's importance for the economic performance of businesses and diversity's place in public policies and the entrepreneurs' policy recommendations.

First, diversity is only partially a motivating factor for entrepreneurs to set up a business in the neighbourhood of Akadimia Platonos, which is also observed by scholars in other European cities' neighbourhoods (Nathan, 2011; Alexandre-Leclair, 2014). In fact, when entrepreneurs make business plans, diversity is perceived in multiple and ambiguous ways.

In terms of multiplicity in urban functions and land uses, entrepreneurs have a positive view of diversity. The mix of various professional activities in Akadimia Platonos is considered to create a vibrant local market and favourable conditions of proximity, mutual support and synergies among colleagues. In this sense, diversity clearly constitutes a motivating factor for entrepreneurs to set up their business in the specific neighbourhood. However, there are certain limits in this positive view of diversity: the unregulated mix of entrepreneurial activities is sometimes negatively viewed by entrepreneurs, who seem to be more favourable in some kind of small-scale zoning or clustering of similar and complementary activities.

Unlike diversity in professional activities, social diversity does not constitute an influential factor for the establishment and development of businesses in the neighbourhood. Entrepreneurs mostly target the so-called "high-quality" clientele, namely customers of medium to high income. Therefore, they are rather indifferent in the coexistence of households of diverse socio-economic profile in the area. However, once their business starts running, they actually gain and benefit from a clientele which is socially diverse. But, this is more a non-planned result of setting up a business in a socially diverse neighbourhood rather than the outcome of their initial business plan and strategy.

As for ethnic diversity, the presence of immigrants in Akadimia Platonos is viewed both positively and negatively and perceived differently by Greek and migrant entrepreneurs. For the former, the presence of immigrants is not a motivating factor to set up their business in the neighbourhood. Besides, many Greek entrepreneurs consider immigrants to be "bad customers", since they often face economic difficulties, use to save money instead of consuming and support mostly "ethnic" businesses. But, contrary to Greeks, migrant entrepreneurs significantly rely on the presence of compatriots in the neighbourhood, since they usually provide help and constitute a first customer base (though finally migrant businesses usually manage to gain an ethnically diverse clientele). However, migrant entrepreneurs rely especially on the presence of co-ethnics in the neighbourhood and not necessarily on the presence of immigrants of all different ethnic origins. In this sense, migrant entrepreneurs as well are rather indifferent in ethnic diversity in the neighbourhood.

To close with diversity in lifestyles, coping with different consumer habits is not always an easy question. Some of the entrepreneurs face difficulties when planning the products and services of their business so as to meet all different customers' needs and tastes. The more diverse the clientele is, the more complicated it becomes to deal with it. The complexity of dealing with diverse lifestyles may not be a deterrent factor for the establishment of businesses in the neighbourhood; it constitutes, though, an additional parametre that entrepreneurs need to take into account and make effort in order to be familiar with.

So, according to the research findings presented above, diversity is only in part a motivating factor for the establishment of businesses in Akadimia Platonos, while every different aspect of diversity is ambiguously perceived. But, with respect to the economic performance of businesses, diversity has more clearly a positive impact (as already stated in the literature especially for ethnic diversity, see Alesina and La Ferrara, 2005; Ottaviano and Peri, 2006; Nathan, 2011) and, thus, it is usually positively viewed by the majority of entrepreneurs. However, at this point as well, ambiguities in the effects and perception of diversity still exist, which is also observed in other European and north-American cities (Kemeny, 2012; Syrett and Sepulveda, 2011).

To begin with diversity in urban functions and land uses, it clearly has a positive impact on the economic performance of businesses. As already explained, the mix of various professional activities in Akadimia Platonos creates a vibrant local market and attracts a large number of customers (settled in the neighbourhood but also coming from many different areas of Athens), which directly increases the turnover and profits of local businesses.

As for social and ethnic diversity, all types of businesses seem to benefit from the social and ethnic mix in the neighbourhood, having a significantly diverse clientele. People of high income may be considered to be the "good customers" but, at the same time, households of middle to lower income also guarantee the survival of local businesses. Back in the 1990s and 2000s, when a significant part of high-income residents left the neighbourhood and searched for better living conditions in the suburbs, it was mostly residents of middle class that businesses relied on. This kind of ambiguity also concerns migrant residents in the neighbourhood: although they are widely considered by Greek entrepreneurs to be "bad customers", some of them constitute an important and stable customer base for local businesses (such as migrants from Albania, who constitute the largest, most integrated and well-paid migrant group). Especially after the outburst of the crisis, immigrants turned to be "more reliable" customers than Greeks, since they are experienced in facing conditions of austerity and poverty while they are not over-indebted. Another population group that businesses benefit from are people of young age. Lately, young residents in the neighbourhood are significantly increasing and constitute a dynamic and very much welcomed customer base that consumes more than others.

The socially and ethnically diverse clientele that entrepreneurs benefit from, derives not only from the diverse population settled in Akadimia Platonos but also from customers coming from many different areas of Athens. This is thanks to certain functional attributes of the neighbourhood (such as proximity and good connection to the city centre and the suburbs, via major road axes, bus, trolley and metro lines), which give easy access to numerous clients. Last, entrepreneurs also benefit from the existence of the

Plato's Academy archaeological site, which is an important attraction for tourists who further diversify the local businesses' clientele.

At this point, it is important to underline that some businesses benefit from diversity more than others. These are businesses that provide specialised services in the sector of education and health (such as private tutors schools and sport centres), as well as creative businesses, especially those engaged in cultural activities (such as private dance schools and non-profits offering theatre, dance, music classes etc.). Providing multiple activities, such businesses manage to attract and benefit from a very diverse clientele, from children to older people, from high- to low-income customers, both men and women, Greeks and immigrants, disabled persons and persons with reduced mobility, most of them settled in Akadimia Platonos and others coming from many different neighbourhoods of the city.

At the same time, there are businesses that address and benefit from a clientele of a very specific and narrow social and ethnic profile. These are businesses active in innovative products and services (such as high technology systems), having only high-income customers, settled in other neighbourhoods, other cities or even abroad, usually being relatively big companies. Beyond this special case, businesses with specific and narrow clientele are also some of those engaged in cultural activities, such as theatres or multi-purpose art spaces. In this case, customers are mostly young to middle-aged, people of middle to high education and income, exclusively Greeks and not settled in the neighbourhood.

To close, it is not only diversity in the social and ethnic profile of customers that businesses benefit from but also diversity in the profile of entrepreneurs and their fields of activity. Most of our respondents claimed that relations developed among entrepreneurs use to be friendly, even if they do not share the same social and cultural profile, ethnic origin, lifestyle etc., and even if they are competitors in the same field of activity. These friendly relations among entrepreneurs of different background and interests create a favourable business milieu of professional solidarity and support, which contributes to the positive economic performance of businesses.

## 6.2. Policy recommendations

Despite its social, cultural and economic importance, diversity is not put on the political agenda nor considered by entrepreneurs with respect to their demands and policy recommendations.

Official policies launched by local and central government to enhance entrepreneurship focus mostly on financial support of businesses (through funding programmes) and only recently did they also provide entrepreneurs with know-how and skills in product, services and process innovation. This is true also for support provided by professional associations; they might not provide entrepreneurs with financial means but provide them with very useful assistance on training, advertising, employment protection legislation and market regulation. Diversity was not included in the above support schemes, neither as an asset that businesses could benefit from, nor as a parametre that may cause difficulties to entrepreneurship.

Beyond the official policies and initiatives, diversity is also significantly absent from the entrepreneurs' plans, demands and policy recommendations. Entrepreneurs ask for basic relief measures and simplification of bureaucratic procedures. They also expect from the

central and local government to initiate urban policies in order to address deprivation of the neighbourhood and arrange for urban regeneration. It is only certain types of businesses that take diversity into account when making plans and formulate demands and policy recommendations. These are businesses engaged in creative and innovative activities, taking various initiatives to deal with diversity and benefit from it. First, such businesses initiate diverse forms of entrepreneurship and participation (such as partnerships, non-profits and NGOs), involving various partners and employees. Second, they use to take initiatives in order to attract as more diverse clientele as possible, targeting also young people, immigrants, disabled persons etc. And last, they search for and suggest more outward-looking government initiatives that may support and benefit from diversity, such as advertising of local businesses, place branding and touristic promotion of the neighbourhood, connection between local businesses, production industries and educational institutes, networking city-wide, in the whole country or even abroad etc.

Following the policy recommendations put forward by the interviewed entrepreneurs and taking into consideration the current conditions of a deep and continuing economic crisis in Greece, we would also put the emphasis first on the need for urgent relief measures. Any kind of financial support (such as decrease of taxes, insurance contributions, rents and other operating expenses, or subsidies) seems to be crucial for the survival of businesses, especially those that are in danger of closing down. Of course, given the implementation of austerity programmes and the drastic cuts in public expenditures, it is clear that the central government is facing serious difficulties to initiate financial supporting schemes. Thus, bottom-up initiatives (such as community organisations, non-profit businesses and NGOs involved in existing and new activities and creating new jobs) are of particular importance for the revival of the local economy. But, it is not possible that such initiatives, emerging “from below”, undertake the role of the central state. Synergies between top-down and bottom-up, official and unofficial initiatives should be promoted at various levels of governance and participation (local, supra-local and national). At the same time, any kind of existing and new support scheme should be widely communicated to entrepreneurs, since currently the sharing and circulation of information is not enough.

Beyond policies of financial support, we would also draw the attention to policies of urban regeneration, especially in deprived neighbourhoods like Akadimia Platonos. Local regeneration projects with a view to improving public space and infrastructure (such as public squares, open green and recreation spaces, sidewalks and public lighting) could give incentives to entrepreneurs to establish new businesses or open again those that are closed down, attract new and dynamic population groups and tourists in the neighbourhood and, thus, contribute to a swift revival of the local market and local economy. Concerning regeneration projects in the neighbourhood, we would insist on low-cost and small-scale interventions in public space and infrastructure, which could attract more dynamic and wealthier population groups without forcing middle to lower incomes leave the neighbourhood. This way, policies of urban regeneration could guarantee the social and ethnic mix of population, which is proved to be beneficial for the establishment, survival and development of entrepreneurship.

To close, it seems urgent that the term and notion of “diversity” (especially ethnic diversity) is put on the political agenda and raised as an open and public question. This way, addressing diversity could be set as an explicit priority and strategic target for urban policies, instead of being only a rhetoric scheme; this way, policies addressing diversity

could be really launched and implemented, encouraging for example the development of small and migrant local businesses, improving the communication between entrepreneurs of different social, ethnic and cultural background and avoid social and interethnic conflicts and competition.



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### Appendix: List of the interviewed entrepreneurs

| Interviewee | Age            | Gender       | Type of enterprise<br>(size, main activities)                                                                                                                                                                                     | Type of entrepreneur<br>(ethnic/cultural/economic background)<br>(immigrant-non-immigrant)<br>(high skilled-low skilled)     |
|-------------|----------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1           | 45             | F            | Medium business<br>Managing cultural events                                                                                                                                                                                       | Middle class<br>Greek, non-immigrant<br>Higher education                                                                     |
| 2           | 45             | M            | Small business<br>Ceramicist-Sculptor                                                                                                                                                                                             | Middle class<br>Greek, non-immigrant<br>Higher education                                                                     |
| 3           | 53             | M            | Small business<br>Grocery store                                                                                                                                                                                                   | Middle class<br>Greek-American, non-immigrant<br>Higher education                                                            |
| 4           | 31             | M            | Small business<br>Grocery store<br>(+ethnic products)                                                                                                                                                                             | Lower class<br>Pakistani, immigrant<br>Basic (secondary) education                                                           |
| 5           | 38             | F            | Medium business<br>Coffee shop-<br>Restaurant                                                                                                                                                                                     | Lower middle class<br>Greek, non-immigrant<br>Higher education                                                               |
| 6           | 46             | M            | Small business (branch<br>of a larger business)<br>Accounting/Tax<br>consultancy office                                                                                                                                           | Middle class<br>Greek, non-immigrant<br>Higher (technical) education (TEI)                                                   |
| 7           | 36             | F            | Small business<br>Lingerie store                                                                                                                                                                                                  | Middle class<br>Greek, non-immigrant<br>Basic (secondary) education                                                          |
| 8           | 34             | M            | Small business<br>Engineering office                                                                                                                                                                                              | Middle class<br>Greek, non-immigrant<br>Higher (technical) education (TEI)                                                   |
| 9           | 60             | F            | 1. Small non-profit<br>business<br>Production and<br>management of cultural<br>events<br>2. Small non-profit<br>business<br>Neighbourhood<br>cultural centre<br>(cultural<br>events/actions/courses<br>+<br>coffee shop-bar-shop) | Middle class<br>Greek, internal migrant<br>Higher education                                                                  |
| 10          | 1. 30<br>2. 30 | 1. M<br>2. M | Small business<br>Engineering office                                                                                                                                                                                              | 1. Lower class<br>Greek, non-immigrant<br>Higher education<br>2. Middle class<br>Greek, internal migrant<br>Higher education |
| 11          | 41             | F            | Self-employed<br>(informal sector)<br>Elderly care + House<br>cleaning                                                                                                                                                            | Lower class<br>Albanian, immigrant<br>Basic (secondary) education                                                            |

|    |    |   |                                                                                                                                                       |                                                                                                                   |
|----|----|---|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 12 | 48 | F | Small business<br>Liquor store<br>(wholesale + retail)                                                                                                | Middle class<br>Greek, non-immigrant<br>Basic (secondary) education<br>+<br>Post-secondary technical education    |
| 13 | 65 | F | Small business<br>Restaurant                                                                                                                          | Lower class<br>Greek, internal migrant<br>Basic (secondary) education                                             |
| 14 | 26 | M | 1. Small business<br>Coffee shop-Snack bar<br>2. Small business<br>Restaurant                                                                         | Middle class<br>Greek, non-immigrant<br>Basic (secondary) education                                               |
| 15 | 45 | F | Medium business<br>Private language<br>learning institute                                                                                             | Middle class<br>Greek, non-immigrant<br>Higher education                                                          |
| 16 | 47 | F | Small business<br>Tailor<br>(clothing, curtains and<br>furniture covers repair)                                                                       | Lower class<br>Albanian, immigrant<br>Higher education                                                            |
| 17 | 39 | F | Small business<br>Grocery store                                                                                                                       | Lower class<br>Greek, non-immigrant<br>Basic (secondary) education                                                |
| 18 | 41 | F | Small business<br>Clothing store                                                                                                                      | Middle class<br>Greek, internal migrant<br>Basic (secondary) education<br>+<br>Post-secondary technical education |
| 19 | 66 | M | Small business<br>Bookstore-Stationary                                                                                                                | Middle class<br>Greek, internal migrant<br>Basic (secondary) education                                            |
| 20 | 52 | M | Small business<br>Clocks and jewellery<br>shop                                                                                                        | Middle class<br>Greek, non-immigrant<br>Basic (secondary) education<br>+<br>Post-secondary technical education    |
| 21 | 68 | F | Small business<br>Frozen foods                                                                                                                        | Lower middle class<br>Greek, non-immigrant<br>Basic (secondary) education                                         |
| 22 | 40 | M | Small business<br>Garage                                                                                                                              | Lower middle class<br>Greek, non-immigrant<br>Basic (secondary) school<br>+<br>Higher (technical) education (TEI) |
| 23 | 60 | F | Medium business<br>Private tutors school<br>for secondary<br>education + pc classes<br>+ studying space                                               | Middle class<br>Greek, internal migrant<br>Higher education                                                       |
| 24 | 35 | F | Medium business<br>Multi-purpose art space<br>(theatre, concerts, art<br>exhibitions, acting<br>classes, theatrical<br>writing classes, café-<br>bar) | Middle class<br>Greek, non-immigrant<br>Higher education                                                          |

|    |                |              |                                                                                                         |                                                                                                                               |
|----|----------------|--------------|---------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 25 | 30             | M            | Small business<br>Engineering office                                                                    | Middle class<br>Greek, non-immigrant<br>Higher education                                                                      |
| 26 | 60             | M            | Small business<br>Microbiology<br>laboratory                                                            | Middle to upper class<br>Greek, non-immigrant<br>Higher education                                                             |
| 27 | 45             | M            | Medium business<br>Automatic control<br>systems<br>(machine vision<br>systems)                          | Middle to upper class<br>Greek, non-immigrant<br>Higher (technical) education (TEI)                                           |
| 28 | 58             | M            | Medium business<br>Printing center<br>(lithography)                                                     | Middle class<br>Greek, non-immigrant<br>Higher education                                                                      |
| 29 | 50             | F            | Small business<br>Private dental clinic                                                                 | Middle class<br>Greek, non-immigrant<br>Higher education                                                                      |
| 30 | 57             | F            | Small business<br>Pharmacy                                                                              | Middle class<br>Greek, internal migrant<br>Higher education                                                                   |
| 31 | 35             | M            | Small business<br>Eyewear shop                                                                          | Middle class<br>Greek, internal migrant<br>Higher (technical) education (TEI)                                                 |
| 32 | 61             | M            | Middle business<br>Technical installations<br>and support                                               | Middle class<br>Greek, internal migrant<br>Higher education                                                                   |
| 33 | 42             | M            | Middle business<br>Private dance school                                                                 | Middle to upper class<br>Greek, non-immigrant<br>Higher education                                                             |
| 34 | 60             | M            | Small business<br>Men's XL clothing<br>store                                                            | Middle class<br>Greek, non-immigrant<br>Higher education                                                                      |
| 35 | 45             | M            | Small business<br>Hairdressing salon +<br>Jewellery shop                                                | Lower class<br>Albanian, immigrant<br>Basic (secondary) education                                                             |
| 36 | 1. 55<br>2. 55 | 1. M<br>2. F | Medium business<br>Private tutors school<br>for secondary<br>education                                  | 1. Middle class<br>Greek, non-immigrant<br>Higher education<br>2. Middle class<br>Greek, internal migrant<br>Higher education |
| 37 | 42             | M            | Small business<br>Sport association<br>(kick boxing, body<br>building, self-defence,<br>capoeira)       | Lower middle class<br>Greek, non-immigrant<br>Basic (secondary) education<br>+<br>High sport skills                           |
| 38 | 40             | F            | Small multi-purpose art<br>association + Medium<br>non-profit business<br>Music, dance, theatre<br>etc. | Middle class<br>Greek, internal migrant<br>Higher education                                                                   |



|    |    |   |                                                                            |                                                                                     |
|----|----|---|----------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| 39 | 48 | M | Small business<br>Hairdressing salon                                       | Lower class<br>Pakistani, immigrant<br>Technical education (Hairdressing diploma)   |
| 40 | 45 | M | Medium business<br>Electric mobility<br>products and industry<br>equipment | Middle to upper class<br>Greek, non-immigrant<br>Higher (technical) education (TEI) |