

INTERDISCIPLINARY EUROPEAN CONFERENCE ON
ENTREPRENEURSHIP RESEARCH (IECER)

UNIVERSITY OF AMSTERDAM, 02 – 04 FEBRUARY 2005

TRACK NO. 9 *THE ENTREPRENEURIAL CITY*

ABSTRACT

**The Spatial Embeddedness of Networks for Women Entrepreneurs:
Comparing network cooperation in different urban settings**

Lutz Trettin and Friederike Welter***

Keywords: Local networks, Embeddedness, Women entrepreneur

Abstract: The paper discusses the spatial embeddedness of *networks for and of women entrepreneurs*, in order to develop conclusions on ways to foster an entrepreneurial regional environment. Empirically, it draws on two in-depth case studies, mapping network cooperation in the high-tech oriented City of Munich and in urban centres of the rural State of Mecklenburg-Western Pomeranian¹. We investigated emergence, development and structural aspects of interrelationships between (semi-) public organizations and other support networks fostering female entrepreneurship (e.g. initiatives at universities, business incubators, advisory centres), women entrepreneurs' networks and women's networks, in order to develop a typology of factors influencing the spatial embeddedness of different kinds of (support) networks and their role in fostering women entrepreneurship. Thus, the paper contributes to the understanding of the role networks play for enterprise development from a spatially based perspective.

* Geographer; Researcher, "Entrepreneurship & Enterprise Performance"; Rhine-Westphalia Institute for Economic Research (RWI); Hohenzollernstr. 1-3; D-45128 Essen; T. +49 (0) 201/8149-210; F. +49 (0) 201/8149-200; Lutz.Trettin@rwi-essen.de

** Economist; Deputy Head "Entrepreneurship & Enterprise Performance"; Rhine-Westphalia Institute for Economic Research (RWI) & Visiting Professor „Entrepreneurship“, Jönköping International Business School (JIBS), Jönköping / Sweden. Hohenzollernstr. 1-3; D-45128 Essen; T. +49 (0) 201/8149-268; F. +49 (0) 201/8149-200; welter@rwi-essen.de

¹ The paper is based on a study on the importance of networks for women start ups. The research was commissioned by the Federal Ministry of Economic Affairs and conducted jointly by the Rhine-Westphalia Institute of Economic Research Essen (RWI) and the Sozialforschungsstelle Dortmund (sfs) from 2003-2004.

The Spatial Embeddedness of Networks for Women Entrepreneurs:

Comparing network cooperation in different urban settings

Unlike well established firms, new businesses have to build up their resource base and gain legitimacy in the market. Here, networks provide access to opportunities and resources such as local contacts to customers and suppliers, information on potential business partners as well as advice and mentoring from established entrepreneurs. Networks are understood as ‘a configuration of firms, owner-managers, support agencies, voluntary associations and other bodies through which small firms connect to the wider economy’ (Curran et al., 1995). In this context, many research studies have demonstrated that networks and network contacts are important during the establishment, development and growth of business. Social networks play a role in mobilising complementary resources, getting support and help, and establishing viable business relations, whilst in later stages business-oriented alliances help the business grow and develop.

So far, most entrepreneurship research has studied networks and their role in fostering (female) entrepreneurship from the perspective of the entrepreneur, whilst research from regional sciences mainly focused on success factors of regional (innovative and/or creative) milieus. Few studies concentrated on the links between entrepreneurs’ networks and the local and regional institutional support structure for new firm creation. With regard to their role in new business creation, networks themselves have to be integrated into the local institutional structures, in order to deliver adequate information and, in the case of more formal business networks such as associations, to attract members. Moreover, networks gain importance for entrepreneurs operating micro enterprises in sectors with a local market orientation such as most consumer services, which applies in particular to women entrepreneurs. Such entrepreneurs are in particular need of knowledge about local conditions.

In this context, the paper will investigate the spatial embeddedness of entrepreneur networks, concentrating on the institutional ‘formal’ network structure for women (nascent) entrepreneurs, which includes (semi) public and private support networks, voluntary (women) entrepreneurs’ net-

works as well as associations and networks generally aimed at women. In particular, we are interested in the emergence of networks, relationships and interactions between different types of networks, the spatial characteristics of network structures and implications for developing a regional network milieu, which might assist in fostering (women) entrepreneurship.

More specific research questions include: Which local/regional actors are involved in fostering (women) entrepreneurship? Which role do they play? Which relations exist between women (entrepreneurs) networks and (semi-) public or private support networks in terms of formality and intensity? Which factors influence inter-organizational cooperation? How did networks and network cooperation evolve over time? Which factors influence the emergence of network co-operations? Which are the lessons for fostering an entrepreneurial local climate in different urban settings?

Theoretically, the paper draws on the three approaches: the concept of the *Milieux Innovateurs* (Camagni 1991, 1995, Sternberg 1995, Fromhold-Eisebith 2000), the approach of Localized Learning (Maskell et al. 1998) as well as on approaches combining Endogenous Regional Development theories with entrepreneurship research (Butler, Hansen 1991, Sternberg 2003, Schmude 2003). Empirically, the paper is based on in-depth case studies in two German regions. The *City of Munich and its hinterland* is considered to be the *Nr. 1 High Tech Region* in Germany. In addition to its strong industrial and R&D base, Munich is characterized by a large and prosperous service and public sector. Moreover, women (entrepreneurs) networks and public-private partnerships have a long tradition. On the contrary, the *urban centres in the East German State of Mecklenburg-Western Pomeranian* have been undergoing a tremendous socio-economic transition process for the past 15 years, which is characterized by deep restructuring of the industrial and agrarian base.

In analysing and comparing networks in both settings, we attempt to develop a typology of factors influencing the spatial embeddedness of different kinds of (support) networks and their role in fostering women entrepreneurship. Thus, our paper contributes to the understanding of the role networks play for enterprise development from a spatially based perspective.