

# ENTREPRENEURSHIP IN THE REGION

Michael Fritsch and Jürgen Schmude

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# ENTREPRENEURSHIP IN THE REGION

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# FOREWORD

The articles collected in this book are based on projects that have been financially supported by the *German Science Foundation* (DFG) in the framework of the priority program “Interdisciplinary Entrepreneurship Research” in the years from 1998 to 2004. Although not all of the projects had initially planned to focus on regions, the various discussions of the research results in the different phases of the priority program clearly showed that regional factors did indeed play an important role. This gave rise to the idea of organizing this collection of articles based on the priority program that in one way or another deal with the regional dimension in entrepreneurship.

This book would not have been possible without the vital support of a number of persons and institutions. We are particularly indebted to the German Science Foundation for the funding of the priority program. Rachelle R. Rinke was of invaluable help in the editing of the English language in the articles written by non-native speakers. Sandra Mueller did a great job in carefully preparing the camera-ready manuscript. Last but not least, the authors deserve gratitude for their work. We hope that this book will provide inspiration for further research in the field of entrepreneurship, particularly the investigations of regional factors that effect entrepreneurship and its impact on development.

Freiberg and Regensburg, August 2005

Michael Fritsch  
Jürgen Schmude

# 1 INTRODUCTION AND OVERVIEW

*Michael Fritsch and Juergen Schmude*

## 1. Entrepreneurship in the Region

Entrepreneurship has a pronounced regional dimension. Differences in start-up rates, in entrepreneurial attitudes, and the success of newly founded businesses between regions indicate a distinct importance of space and the local environment for entrepreneurship. Empirical research has shown that such differences are not at all elusive but tend to be rather persistent and to prevail over longer periods of time.

Dealing with different aspects of entrepreneurship, the articles collected in this book all approach their topic from a spatial perspective. The various regional influences on entrepreneurship analyzed entail regional peculiarities and disparities in new business formation processes, employment effects of new firms, the importance of social capital and of network structures, as well as entrepreneurship education and training provided in the regions. The contributions to this book clearly show that there is a diversified set of approaches on how to relate entrepreneurship and new firm formation processes to regions. Differences between approaches include the understanding of what is the appropriate regional level of analysis. While most of the articles utilize the highly disaggregated level of the German districts (“Kreise”), others address larger regional entities like planning regions (“Raumordnungsregionen”), the federal states (“Länder”), or analyze the differences between the eastern and the western part of the country, whose divergent historical backgrounds are still imprinted in their socioeconomic development. The articles in this book also follow different research strategies for investigating the regional context of entrepreneurship and new business formation. While some analyze the influence of regional factors by in-depth case studies of certain regions, which are often based on data that have been raised by postal questionnaires and through personal interviews, others are conducting interregional comparisons that include all regions of the country. Such differences in the types of approaches not only depend on the particular question under investigation but also reflect the research traditions of the disciplines involved. The contributions of the different academic disciplines clearly demonstrate that their research methods are complementary in character. Entrepreneurship