Inclusive Entrepreneurship in Berlin-Mitte

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EXECUTIVE SUMMARY

The aim of the pretest of the “European Tool for Inclusive Entrepreneurship” was to develop an instrument, which can deliver valid information for regional decision-makers on the quality of the existing start-up infrastructure especially with regards to specific target groups. The tool is based on three different groups of interviewees:

- political stakeholders (decision-makers, lead members of staff within the administration, lead members of staff of semi-public funding institutions)
- representatives from start-up support initiatives and advise services,
- entrepreneurs

In this pre-test stage, the definition of criteria for choosing the interview partners and the interview methodology was left to the national experts. In the model region of Berlin-Mitte, the interviews were conducted via standard personal interviews. 16 stakeholders have been interviewed in total including elected political decision-makers, people responsible for start-ups within the public administration, people responsible for the integration of specific target groups within the public administration and lead members of staff of semi-autonomous funding institutions.

The interviews with advisors also took place in a standard format and included questions regarding the general business start-up support structures as well as questions regarding the services for the specific groups the advisors deals with.

The most difficult part was the interview stage with the entrepreneurs. To avoid distortion of results, the aim was to put the questionnaires to a general group of entrepreneurs who have started their business within the last six months – independent of whether they have had access to advise and support or not. Because of time restrictions and missing feedback from those addressed we finally had to ask former customers of the various organisations. As a consequence, the data is biased in a way that gives a more favourable impression of support services – because respondents have generally received support and are quite happy with it – whereas this does not mean that this level of support is available to everyone.

When looking at the results from policy makers and advisors, it is first of all not surprising that the people responsible for start-up support within the public administration were best informed and decided on the ratings with strong self-assuredness. A similar behaviour was shown by political decision-makers and representatives from semi-public funding institutions. However, both groups do not differentiate as much as advisors between target groups. It is difficult to evaluate the ratings of people responsible for specific target groups. Most of them pointed out that they are not able to assess the services and structure and they tend to rate around the average.

Advisors generally tend to rate the quality of support for their own target group higher than the quality of the general support available. Specialised advisors tend to be more negative about the existing start-up support infrastructure than advisors working in the traditional field of start-up support.

Entrepreneurs tend to evaluate their own personal experience and rated the existing advise structure quite positively. By contrast, the ratings of the small number of responses from those who didn’t participate in any kind of programme are much lower. This is in line with the general fact that there is only little service for target-group specific support compared to the general number of start-ups.

Regarding the strengths and weaknesses of the region, the analysis brought the following results:

- All groups agree that pre- and post-start-up services in general are rather satisfactory.

- Advisors rate lower than the other two groups.

- Regarding the results of the entrepreneurs it has to be considered that nearly all them have been supported by well-known services so that these responses need to be put in the right context.

- When looking at specific target groups, there are some noticeable differences between the groups. Services oriented towards women e.g. get much higher rates than the others. This corresponds to the general line of the regional government, which puts a special emphasis on start-up promotion among women. The services for other target groups, such as people with a migrant background and people with disabilities were rated much lower.

- The ratings for both, the area of finances are as well as the field of enterprise culture are very low and can be identified as the main weaknesses of the region. The lowest ratings came from advisors as well.

As already pointed out, these results and statements are meant to be taken with the reservation that this analysis was carried out in a pre-test stage. In general, however, it became apparent that once it is adapted and relaunched, it can deliver important information on the quality of an existing start-up infrastructure with an adequate amount of work.

A note from the author:

We would like to thank all interviewees for taking the time to participate in this project. It has been a very interesting and fruitful exchange and we are looking forward to continuing the discussions in the near future.

In addition, we also would like to thank the Federal Ministry for Labour and Social Affairs and the members of National Thematic Network of EQUAL for the productive joint work on the tool and for providing the various case studies and good practice for the database.

1. Introduction

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1.1. What is the Community Of Practice on Inclusive Entrepreneurship?

CoPIE is a learning and communication platform for people who are passionate about inclusive entrepreneurship. We work on the design and delivery of policies which make it easier for under-represented groups to become self employed or start up a business. We have called this 'inclusive entrepreneurship'. It builds on the work carried out over the last five years by nearly 300 EQUAL partnerships on opening up business creation to all members of society. Many of the 12 countries involved in this work created National Thematic Networks to exchange and mainstream their findings. The Community of Practice also drew heavily on the experience of the EQUAL partnerships involved in the Social Economy.

Inclusive entrepreneurship

Inclusive entrepreneurship is a comprehensive approach to widening the range of people that start and grow their businesses. It drives up employment and activity rates and cuts unemployment. It is a diversity assured approach that works effectively in communities that are discriminated against. To widen entrepreneurship we have brought together a Community of Practice on Inclusive Entrepreneurship COPIE led by Flanders and co-financed by the European Commission. COPIE is an open network aiming make entrepreneurship an attractive and viable option for more people during the 2007-13 period. COPIE has developed a new action planning approach which will be presented for the first time to around 300 delegates from the EU Member States at a Policy Forum in Hannover on 5-6 June 2007.

The Four entrepreneurial ladders out of exclusion

Although the definitions vary slightly in each Member State, the main themes dealt with in business creation are very similar across the countries. They have been described as the four parts of "an entrepreneurial ladder out of social exclusion". The four parts are:

- creating the culture and conditions for entrepreneurship;
- integrated start-up support and training,
- support for consolidation and growth and
- access to appropriate finance.

In all these areas there is already an important reservoir of good practice on how to promote inclusive entrepreneurship in many Member States. But this still generally takes the form of pilot projects and initiatives. At the end of Equal, there is a risk that this knowledge and experience can be lost. Our approach aims to combat this by helping regions to mainstream the good practice from all over Europe.

The founding partners

Flanders, Germany, Spain, Portugal and Wales are the founding members of COPIE. France, the Netherlands, Greece and Wallonia are participating as observers. They have all had direct experience of trying to close the gap between employment and entrepreneurship policies. This gap exists because those concerned with social inclusion and employment policy tend to prioritise combating exclusion through employment. European employment policy is increasingly concentrated on supply side solutions (like training, counselling and “flexicurity”) for helping the labour force adapt to a rapidly changing environment created by globalisation and an ageing population. Policies for business creation tend to receive less attention.

The people involved in the Community of Practice believe that many more people from disadvantaged groups can help to create their own future rather than hope that decent jobs “trickle down” from the high technology, high growth sectors. They argue that “entrepreneurship” should not be seen as the prerogative of a privileged few. It is already a survival strategy for millions of Europeans – and, with the right conditions and policies, it has the potential for unleashing the creativity of millions more.

Developing Action Plans for Inclusive Entrepreneurship

One of the first tasks of the Community of Practice has been to design a methodology for developing “action plans” for Inclusive Entrepreneurship. The action plans are built around a tool that takes the stakeholders systematically through an analysis of enterprise support in their region, sub region or city. The tool itself consists of four scorecards on excel spreadsheets which are already available on-line At present, this preliminary version of the tool and bank of good practices can be consulted on the COPIE website.

The tool helps policy makers and practitioners concerned with entrepreneurship to identify the main gaps or challenges to the support system for entrepreneurship in the four main themes identified by EQUAL - from the point of view of specific groups. Policy challenges are identified from the scoring process.

Armed with this knowledge they can locate the good practices developed elsewhere to meet similar challenges in the area of culture and conditions, start-up support and training, consolidation and growth and access to appropriate finance.

Finally, they can bring both elements together to design an action plan or strategy for inclusive entrepreneurship for the next period. Now that CoPIE has established a sound basis for co-operation we plan to grow the existing community of practice by adding five to ten new member regions from a range of different Member States. We are particularly keen to expand our network to include the new Member States

The rest of this report describes how the tool has been tested by one of the members of CoPIE.

1.2. THE PROCESS OF TESTING THE TOOL IN BERLIN

In Germany Berlin-Mitte as the central district of the German capital has been chosen as model region for piloting the tool because it reflects many problems facing inner city areas in Germany The administrative structure of Berlin with its different levels of governance as one of the German Länder and its districts as administrative entities made it necessary to focus on one of the districts while also including stakeholders acting on a state (of Berlin) level. Several considerations lead to the decision, to choose the district of Berlin-Mitte, the combination of which make it in many ways representative of the different structures and challenges prevalent in Berlin. For one it comprises areas in the former East as well as in the former West part of the city. The historic centre in the East has seen a lot of investment during the last two decades and its business structure is defined by associations, lobby groups, creative high potentials and service industries. The former Western part comprising Wedding and Tiergarten on the other hand only has small areas like Potsdamer Platz and the quarter of embassies which have seen large investments, but is otherwise characterised by harsh social disparities, a high proportion of immigrant population and high unemployment rates.

Policy makers: The questionnaire has been put to 16 stakeholders having influence on the policy framework in one to one interviews within their working environment. This included stakeholders within the government of Berlin, in the administration of the district as well as in (semi-)public financial institutions, the Chamber of Commerce and Industries as well as the Chamber of Crafts and the employment administration. Some of these deal directly with issues of economic development and start-ups while others are responsible for the integration of certain target groups in general. Especially for those not directly concerned with issues of start up support like stakeholders working on issues of target groups, the tool proved to be a very effective means of raising awareness of certain subjects. But even those more directly concerned with the subject often had never thought about certain aspects of the overall start up support structure like starting to create a culture of entrepreneurship in schools.

Advisors: The advisors' questionnaire was put to ten specialist advisors working within larger institutions like the Chambers or having set up their own smaller businesses. While some focus on one of the target groups like unemployed, migrant communities, women or people with disabilities, others do not have comparable restrictions as to whom they provide with advice and support. Naturally it was not possible to select only those that work within Berlin-Mitte itself as only one of them works only within one district. All services have customers elsewhere even if the concrete office is located within Mitte. This also applies the other way round.

Entrepreneurs: It was attempted to reach entrepreneurs via two different channels. For one advisors were asked to hand a translated and redesigned questionnaire to their customers in order for them to fill it in and hand it back to the National Expert. However relying exclusively on this method, seemed to imply the danger of only reaching a well selected choice of entrepreneurs, consisting of the "best" customers of the participating advisors. Therefore the Chamber of Commerce and Industries and the Chamber of Crafts were asked to provide 50 addresses of recently established small and smallest businesses in Berlin-Mitte to thus be able to also reach neutral entrepreneurs that might not have found their way through the established start up support system. Unfortunately the response rate among those entrepreneurs proved to be quite low.. Talking to them in order to convince them to fill in the questionnaire, it became clear that many felt unable to spare the necessary time or attention. During the first phase of their start up they understandably have too many other things on their mind to participate in what they perceive as yet another survey. So in the end, 20 entrepreneurs have been interviewed but mainly those who have taken advantage of one of the existing start-up support services.

1.3. MAIN LESSONS FROM TESTING THE TOOL IN BERLIN

1.3.1. Advantages of using the tool

Raising awareness

As has been said before, the tool worked very well as a means of raising awareness, especially among those policy stakeholders not directly concerned with issues of entrepreneurship and start up support that might not have been thinking about the relevance of these subjects for their work so far. If concerned with issues of support for specific target groups some might not yet have realised that inclusive entrepreneurship might play a role in the life of their clientele and thus their work. For example, the Berlin-Mitte district officer for ethnic minorities pointed out that the topic of entrepreneurship promotion has not yet been a specific focus of his work and that up to now in his opinion this topic has been covered sufficiently by the local development office. By contrast, the local development officer made clear that this specific group target cannot be supported adequately only through the services offered by the development agency.

Identifying key challenges

The testing of the tool led to the identification of a series of challenges for the support system for entrepreneurship in Berlin Mitte which will be described later in the report. These are:

- Improving the entrepreneurship culture: all interviewees agree that this topic is not at all covered sufficiently by the existing educational system. This applies for both schools and universities.

- Providing for an adequate start-up and post-start up support for all: the results show that in general, interviewees are quite content with the services, but when it comes to specific target-group related strcutures obviously some groups are better off than others. According to the general line of the regional government, women for example can take advantage of a number of services offered whereas e.g. people with a migrant background who are willing to start a business have no regular support service available.

- Offering targeted financial programmes: even though the City of Berlin has established specific financial products for start-ups out of unemployment, the rather low rates in this area might be an indicator for the missing link to the need of specific groups.

As already pointed out before, these statements and the analysis rely only on the results of this pre-test stage of the tool. There are a number of issues to be dealt with before it can actially be seen as completely representative. However, despite the methodological difficulties arising from the very short period for development, the tool – once the current experience is taken into account and the necessary adaptations have taken place – can serve as an important instrument to efficiently gather information on the quality of the regional start-up support structures.

1.3.2. Recommendations for improvement in the next version of the tool

Choice of the region

We recommend that the choice for a specific administration unit is made according to the level of influence by political decision-makers. The decision-makers need to have at least some influence on the existing start-up support structures. In addition, a minimum level of start-up support infrastructure should exist so that evaluation is possible. We therefore do not recommend to use the tool for municipalities or small neighbourhoods.

Choice of interviewees

It was experienced that the appreciation of certain aspects of start up support is extremely dependent on the professional activity of the interviewee. Much more than was anticipated interviewees tended to see the area they worked in e.g. finance or start up support for a certain target group to be relatively well developed quantitatively and qualitatively, while they saw other areas to be problematic. These discrepancies were balanced however by interviewing stakeholders from very diverse areas of activity and background. The fear that this process would lead to a levelling out of results had however proved to come true. Even after calculating average figures the picture of ratings turned out to be quite differentiated. Experience also shows that including interviews with mainstream start-up support institutions in the end distorts the true picture as these institutions do not reflect the specific situation of people from disavantaged backgrounds.

Also the perception by the different interviewee groups turned out to partly differ substantially. Especially the entrepreneurs displayed a considerably different view on many subjects from advisors and policy stakeholders. However, for a solid evaluation of the entrepreneur's point of views it would be necessary to put the questionnaire to at least 20 people from every target group and include more of those who have not gone through a process of one of the specific advise services.

The methodology

The method of individualised standard interviews for advisors and policy makers has proven to be an adequate form of gathering comparable results. In our point of view, this method is much more suitable for this process than telephone interviews, focus groups or written questionnaires. The interview partners have the chance to elaborate on specific questions in the tool and to provide additional context-related information. In addition, it is very useful to get an explanation on the reason for someone deciding on a specific rate.

Regarding entrepreneurs, there is no economic alternative to a written questionnaire. Nevertheless it has to be clarified how the responses to the questionnaires are ensured. One idea would be to hand out the questionnaire with the official registration of the business.

The broad area and different aspects covered by the questions proved to be an asset of the tool. Many interviewees gave positive feedback as everybody was able to integrate their personal experiences and problems or benefits into their answers and thus identify with the project.

At the same time, however, the general and extensive way questions were put evoked criticism in all groups of interviewees. Many questions include too many aspects which cannot easily be answered in a single question. For example the questions about the establishment of an entrepreneurship culture in schools and in universities and higher education might have to be answered in completely different ways. Furthermore it proved to be disadvantageous to not be able to distinguish between quality and quantity or accessibility and affordability in the provision of information, advice, support etc. Thus in later versions of the tool a more differentiated way of putting the questions should be considered.

The broad approach of the questions leads to a problem though where not every interviewee is able to give an opinion on each question. This phenomenon cannot be avoided in the future so that it will have to be addressed on the analysis stage. For the moment this is not adequately taken account of in the calculation of results.

Comparability of results

The first trial of the tool has shown that one of the most interesting results in the future will not only be the identification of strengths and weaknesses in the support system in the given regions but also the difference in perception between the different groups of interviewees. In the present form the questions put to the different groups of stakeholders i.e. policy stakeholders, advisors and entrepreneurss are phrased in quite different terms or even cover different aspects of the main theme. It is therefore in many instances difficult to compare these results. In future versions it should thus be considered to bring more questions into line with those asked to the other groups of interviewees.

Neutrality of questions regarding national choices

During the application of the tool in the interview phase it also became clear that some questions were strongly related to systemic choices in certain national contexts. This frequently led to comprehension problems for interviewees. For example the question on policy incentives for the provision of financial services to target groups put to advisors is explicitly focused on the model of the Anglo-Saxon Community Reinvestment Act and thus not understood in other legislative environments. The same is to a certain extent true for the question on incubators which leads to distorted results, where support structures rely less on incubator style institutions but on decentralised support systems.

Retrieving target group specific data

Having been created in the ESF context the tool tries to retrieve relevant data specific to certain target groups. When asking entrepreneurs about their experiences and perception of the support system this will be easily realised as there will be a sufficient amount of different interviewees. When interviewing advisors however one will encounter considerable hurdles in trying to collect enough target group specific data for it to be in any way representative. Even in a metropolitan region like Berlin, where the density of the support structure and thus start up advisors is well above average it will hardly be possible to find enough advisors for every target group specialising in the support of one of them. It will therefore have to be reconsidered how to deal with the piecemeal data gained from advisors when it comes to specific target groups. So far the tool does not seem to lead to meaningful data in this respect.

2. Enterprise Ecology

2.1. Demographics: The area and its people

- Berlin has a population of 3.4 million. The district of Berlin – Mitte is the city‘s central district with a population of 326.000 in October 2006. The population density in Berlin-Mitte is 8267 persons per km^2. The district was created in its present form by the merger of the former districts of Wedding and Tiergarten in the West and Mitte in the East in 2001, made possible after reunification.

- Overall Mitte is one of the few Berlin districts slowly gaining population but it has a high concentration of disadvantaged groups concentrated mainly in the neighbourhoods in the former West. The proportion of young people under 15 stands at 13,1 % and those under 18 at 15.9%. The proportion of foreign nationals stands at 27.7% twice the city average (13.75%), more than three times the national average (8.8%) and is heavily concentrated in certain districts.

- The proportion of pupils leaving school without any certified qualification was distinctive and stood at 11.6% in the school year 2005/2006.

- In December 2006 15.2% of the total population of Berlin-Mitte or 48.200 persons were registered as disabled. Of those 33.650 persons or 10.6% of the population were registered as severely disabled i.e. suffering from a degree of disability of 50 or above.

- Mitte is characterised by harsh structural contrasts:

    - West and North: former, mostly derelict industrial quarters (areas of restructuring). The area has strong social disparities and a large proportion of immigrant populations. Different entrepreneurial centres, the central wholesale market and inland port, some biotech businesses and a large part of the university hospital

    - South Early post-war housing projects, the embassy quarter, the federal parliament, a central cultural forum and the recently constructed shopping and entertainment quarter of Potsdamer Platz. It also has a high proportion of immigrant population

- East (historic centre) Many historic sites, most federal ministries, large amounts of representative office space, the main shopping areas of East Berlin, all major special interest organisations as well as a vibrant nightlife.

These marked **spatial disparities** have rather been increasing during he last years instead of improving. This is the effect of manufacturing industries and other companies having left former industrial areas within the city like Wedding and Moabit which is not adequately compensated by service industries, which prefer other more representative locations. This development also results in a high turnover of the population in problem quarters where socially disadvantaged persons first move when they arrive in the city and move on to more gentrified quarters as soon as they have established a stable existence. This makes the establishment of healthy economic structure within neighbourhoods difficult.
The risk that this development will continue to widen the gap between different neighbourhoods within the district is great, even though the administration is eager to redevelop derelict industrial compounds looking for new utilisations.

2.2. KEY EMPLOYMENT CHALLENGES.

When looking at the main factors of the regional economic development it is easily discernible that Berlin has been undergoing a very unsatisfactory development since the mid 1990's. The **economic performance** as well as the productivity rate are constantly well **below national average**. It is therefore not surprising that this led to a decreasing employment rate and high unemployment. However some still weak indicators denote the possibility of a more positive development in the future: Thus the employment rate has been shown a slight trend to develop more positively than the national average. Also the GDP has for the first time since 2001 been growing last year – without reaching the same growth level as the national average however.

Employment in Berlin has been gradually decreasing during the 1990's until 2005 – with an overall loss of 8%, while the national did not change much at all (+0.4%). The development has recently begun to show more positive tendencies though, as in 2004 and 2005 Berlin was able to overtake the national development of employment.

The number of unemployed persons has been steadily growing since the 1990's, culminating in 2005 and increasing faster than in the national average.

Table 1 Employment rates in 2000 and 2005

	Berlin	Germany
Unemployment rate 2000	15.8%	9.6%
Unemployment rate 2005	19%	11.7%

Berlin thus had reached an unemployment rate that was higher than even the average of the other East German Länder (18.7%) in 2005.

Table 2 Employment change by sector 2000 - 2006

Key sectors	Employees 2000 (1000 persons)	Employment 2006 (1000 persons)	% change 2000-2006
Agriculture	*7.1*	*5.0*	*- 29,6%*
Manufacturing Industry	*261.3*	*188.0*	*- 28.1%*

and Construction			
Trade and Transport	*315.4*	*318.6*	*+ 1.0%*
BusinessServices	*271.3*	*282.2*	*+ 4.0%*
Public and Private Services	*552.2*	*556.1*	*+ 0.7%*

There has been a gradual loss of jobs in the industrial sector of about 182.000 jobs since 1991, 67.000 since 1995 and still 29.000 since 2000. **There is no other state in Germany where the loss of jobs in the industrial sectors has been as substantial.**

Berlin shows characteristic weaknesses in the industrial sector. Only 4% of the population was working in the industrial sector (compared to around 7% in Hamburg or the national average of 9%). When comparing the important service sectors like “trade and transport” or “business services” with other regions, it is easily discerned that this structural weakness is not the result of advanced tertiarisation in a metropolitan region.
These findings are confirmed when looking at contributions of the different economic sectors to the gross value added. The share of the industrial sector to the gross value added stands at 12% in Berlin (West Germany: almost 25%), while “Public and private services” contribute 31% (around 21% in West Germany). The proportion of “Business services” is at 34% a bit higher than the national average but still lower than in other metropolitan regions (Hamburg: 38%).
The structural economic shift towards the tertiary sector in Berlin is characterised by large losses in the secondary sector, while the service sector is not gaining enough momentum to compensate this. Nevertheless, employment has grown rapidly in public institutions, governmental and parliamentary agencies, special interest organisations and NGOs, hotels and restaurants. The media and advertising sector has also established itself in Mitte during the last years. These sectors are very slowly making up for some of the job losses in other sectors.

In conclusion, despite major economic opportunities in Berlin Mitte, rapid industrial restructuring is leading to:

- **Very high unemployment rates for all target groups (19.5% - almost double the national average).**

- **While the number of employees has been declining gradually for years and has only very recently been growing slightly, the proportion of low pay casual employment has been increasing steadily. The legislative modification of the so-called “Mini-Jobs” (low pay employment with flat tax and social insurance contributions) has fuelled this development.**

- **According to a survey among businesses in 2005 the proportion of temporary staff, interns, freelancers and temping jobs has been increasing noticeably in the last year.**

- **Structural change seems to be benefiting some groups while others get left behind. For example massive 44,5% of ethnic minorities in Mitte are unemployed compared to 22,2% in the rest of the country. This is four times more than the average rate for all Germans. Even if unemployment among young people under 25 has been declining by 13%, unemployment among women has only been declining by 2.3% and among foreigners**

and people with disabilities unemployment has even been rising during the last year (by 1.8% and 12.2%).

2.3. ENTREPRENEURIAL DYNAMICS

- Mitte is of major importance for Berlin as a business location. One of Berlin-Mitte's major advantages are its central location within the city of Berlin and its excellent connectivity with public transport (incl. Germany's largest train station) and Tegel airport. The location also offers different universities and other research institutions.

- However, Berlin-Mitte does not have a uniform business structure. One can find every kind of business like multi-national media groups, self-employed tourist guides, middle-sized software companies and everything in between.

Table 4 Micro and Small Businesses in the whole city of Berlin

	Number of Firms	% Employment
Total	80.000	1012.000 employees
% Micro* (1-9 employees)	84.5%	20%
% Small*(10-49 employees)	11.8%	21%

- The **share of micro businesses** in the whole of Berlin is approximately the same as the national average, but the share of businesses with less than five employees is especially high. More than three thirds of all businesses fall into this category (70%). In contrast the proportion of small businesses (10 to 49 employees) is slightly below average.

- In **2005** Berlin-Mitte was the district with **most business start-ups** in Berlin. The start-up rate (start-ups per 100 existing businesses) has been 30,4 with the Berlin average being 28,1.

- The biggest share of start ups belong to the categories of small and smallest businesses (more than 80%).

- **12,5% of all start-ups** (i.e. 4.900) in Berlin in 2005 were set in Berlin-Mitte, which already has the **second biggest share of businesses** (11,7%) after the central Western district of Charlottenburg-Wilmersdorf(16,8%).

- It also had the second highest share of business closures in Berlin though (11,7%). Still Berlin-Mitte has a relatively **good balance** of around 1.600 businesses gained - just behind the neighbouring districts to the South (Friedrichshain-Kreuzberg) and North-East (Pankow).

- The most important sectors for start ups were: retail (23,9%), building (20,2%) and housing, realty and services for other businesses (23,9%) (around 1000 businesses each.) The start up development depends mainly on new businesses in the service sector and especially in consumer services, the share of which is a lot higher in Berlin than in the national average or even other metropolitan areas.

- So once again we see Mitte is an area of extreme contrasts – great business opportunities and dynamism on the one hand – but on the other hand this does not trickle down to benefit all neighbourhoods or sections of the population. The challenge is to ensure that the unemployed and particularly ethnic minorities participate in the opportunities for entrepreneurship that exist in Mitte.

3. THE POLICY FRAMEWORK.

3.1. ADMINISTRATIVE CONDITIONS AND FRAMEWORK

General overview

According to the Global Entrepreneurship Monitor 2006, compared to other countries Germany's general **strenghts** lie in the

- physical infrastructure,
- protection of intellectual property rights,
- business-related services and
- public funding policies for start-up promotion.

This applies for all types of businesses.

Deficits are stated in the field of

- political support for entrepreneurship on all levels,
- market change, finances,
- market entrance criteria,
- knowledge and technology transfer,
- entrepreneurship education in schools and vocational training,
- public values and norms,
- regulations and taxes.

Whereas there is a slight improvement for regulations and taxes, priority and engagement in politics and knowledge and technology transfer, all other factors have degraded compared to the year before. This also applies for start-up support for women.

In terms of **tax and VAT exemptions**, Germany has a general regulation for small businesses. Businesses are acknowledged as small businesses as long as their turnover from the previous year has not exceeded a total of 17.500 EUR and the turnover of the ongoing year will not rise above 50.000 EUR. Both prerequisites have to be fulfilled. When starting the business activity, the turnover of the ongoing calendar year has to be estimated. If the small business regulation is applied, the entrepreneur does not need to raise sales tax. However, he can opt for sales tax. In this case he/she has the opportunity to claim for input VAT at the tax office. Volunteer assessment for sales tax is recommended as this is the prerequisite for deduction of input VAT-.

Regarding **duration and complexity of procedures for registering a business**, for Germany it can be stated, that in most cases this not a problem for small and micro businesses. It can only get difficult, if the business has to follow specific security or hygiene requirements or if the business requires specific professional qualifications, such as for craftsmen, health professionals or lawyers. Delays may also result from the choice of the legal form of the future company, e.g. a German limited company or a cooperative.

Start-up support out of unemployment: actors and responsibilities

In the Federal structure of Germany, the competences for the different policy areas are split between different levels; especially in the field of start-up support responsibilities are not clearly defined.

- **Employment Offices / Jobcentres**

  The primary responsibility for labour-market related measures – including the promotion of start-ups out of unemployment – is regulated through the Social Security Code (SGB) III (unemployment insurance) and Social Security Code (SGB) II (minimum social collateral and the integration of long-term unemployed). Employment Agencies as well as jobcentres are eligible to offer start-up support measures. Whereas unemployed people under SGB III are able to assert a legal claim for financial maintenance support in the first nine months of self-employment, this decision is due to the individual case manager under the SGB II. Employment offices as well as jobcentres are eligible to finance preparation and/or pre-start up support measures. However, there is no legal claim for this type of support. In addition, the Federal level offers a variety of funding programs to support business starters (coaching, advise, information events, financing). Again, also for these measures, there is no legal claim.

- **Regional and local governments**

  The German **regional governments** are able to complete the labour market-policies with own programs, especially by providing additional funding for projects or by promoting specific target-groups. In most cases, this is financed through the ESF and the ERDF programmes.

  City districts/municipalities have only little influence on the general funding policies of the Federal or regional level. Their financial capacities are rather limited. Normally, their range of services is reduced to the provision of advice services (economic development agencies). In Berlin, the City districts can in addition support or initiate ERDF projects and they can activate measures to support micro initiatives and start-ups via the Federal program “Local Capital”. In disadvantaged areas, there is also the opportunity to use funds from the program “Social Cities” to support start-up infrastructure.

So typical start-ups in Berlin Mitte would find themselves faced with a number of different sources of advice and support on various levels including information from the local development office, advise services from the Chamber of Commerce, recommendations from banks, employment agencies or the job centre, private advise services with costs and some specialised services for specific target groups located in other districts.

In conclusion, the lack of transparency and the lack of planning reliability especially with regards to measures funded by jobcentres and employment offices is a major problem for both – entrepreneurs and service providers.

The **lack of transparency** makes it difficult for entrepreneurs to find an adequate form of support for their specific case and at the same time it holds the danger of double work for service providers as the same questions and requests for support are often put to various sources.

The **lack of planning reliability** because of varying and sometimes parallel use of public funding schemes for different stages or groups makes it very difficult to set up a sustainable integrated start-up structure with different type of actors. Whenever funding ends for one of the elements, e.g. for the specialised services, the whole structure of providing integrated support for both mainstream and specific target-group related businesses is at risk.

3.2. STRATEGY FOR INCLUSIVE ENTERPRISE

Up to now, there has been no single written strategy and integrated structure for providing start-up support for disadvantaged groups as a means to encourage independent job creation in Berlin. For a general assessment, it is however necessary to consider the differentiated responsibilities in the City of Berlin.

The original funding responsibility for start-ups out of unemployment lies with the job centres (unemployment benefit II: long-term unemployment and/or unemployment without prior fixed contracts) and the employment agencies (unemployment benefit I: those with prior fixed contracts). Neither of them offer a specific target-group related service for either Berlin-Mitte odder the City of Berlin as a whole. Besides a living subsidy they only offer standard services: short information sessions, full-time start-up seminars over a period of several weeks and funding for post-start-up support with a volume of up to 1.000 EUR. The City of Berlin would be able to add to these services by providing regional funding- often in combination with ESF funding – for target-group related support. However, besides for women and only recently also for people with a migrant background, there is no regional strategy for disadvantaged groups. Nevertheless, thanks to European, national and individual senate funding, a couple of programmes for specific groups (young people, people with disability, people with a migrant background) could be established. But these services are characterised by time restrictions (fixed project durations) and by being limited to only a small part of the potential target group (restrictions for participation, local focus etc). Some of these programs finish in the course of the year 2007. From the current Operational Programme, it is not possible to tell whether they will be continued. By contrast, it becomes apparent that in the field of start-up support, a priority will be put on promoting start-ups out of universities and higher education institutions: “When defining its priorities, the City of Berlin has to consider these specific regional framework conditions. Social integration and promotion of employability are the first step and the basis for opening up further employment opportunities. [..] One of the starting points for the new ESF funding period is to further promote start-ups. Even though Berlin has an enormous potential of highly qualified people there are not enough business start-ups. When looking at the high unemployment rate among academics in Berlin and the insufficient growth of qualified jobs a respective entrepreneurship policy needs to be promoted through the ESF. Priority A (adaptability and competitiveness) is going to be strengthened compared to the current funding period.” (Berlin ESF Operational Programme)

When taking into consideration that there is an enormous academic potential in the City which leaves the City every year because of better offers in other regions, this is comprehensible. However, the questions of whether disadvantaged groups also and in particular need high quality support in starting their business, remains.

4. Stakeholder Assessment of Policies for Inclusive Entrepreneurship

4.1. Introduction to Section

The EU-Tool for Inclusive Entrepreneurship relies mainly on an interview based survey. Interviewees were categorised into three different groups:

- *policy stakeholders* that have some influence on the policy and administrative framework regarding start up support and economic promotion in general or regarding policies for social inclusion of disadvantaged target groups

- *specialist advisors* that provide information and advice on the ground directly to people willing to set up their own business or existing entrepreneurs

- and *entrepreneurs* of the start up support system setting up or having set up their own business.

Advisors and entrepreneurs were additionally classified according to target groups they work with or belong to, i.e. unemployed, women, migrants and ethnic communities, older than 50, under 30 and people with disabilities.

For each of these groups exists a different standardised questionnaire, which for policy stakeholders and advisors was filled in by the National Expert during personal interviews. Entrepreneurs were given a translated and redesigned questionnaire to be filled in by themselves.

Each of the questionnaires is split up into four categories:
- Creating the Culture for Entrepreneurship
- Start Up
- Consolidation and Growth
- Access to Appropriate Finance

For policy stakeholders there was a supplementary fifth category exploring the existence of an overall strategy for start up support.

Differently phrased questions, partly also covering different aspects of these categories, were put to each of the groups to be answered specifically from their perspective. They could choose from a scale from 1 to 4, where 4 is very good, 3 is good, 2 is weak and 1 is very weak. The following analysis is based on the average answer given within a group to a specific question. These average ratings were also used as the basis to calculate the average rating in each of the categories by a specific group of interviewees.

The analysis will focus on areas that have been identified as either especially problematic or as developed particularly well. Where possible the perception of the different groups of interviewees will be compared.

4.2. CREATING THE CULTURE AND CONDITIONS FOR ENTREPRENEURSHIP

Chart 1 Summary of Enterprise Culture scores by policy makers

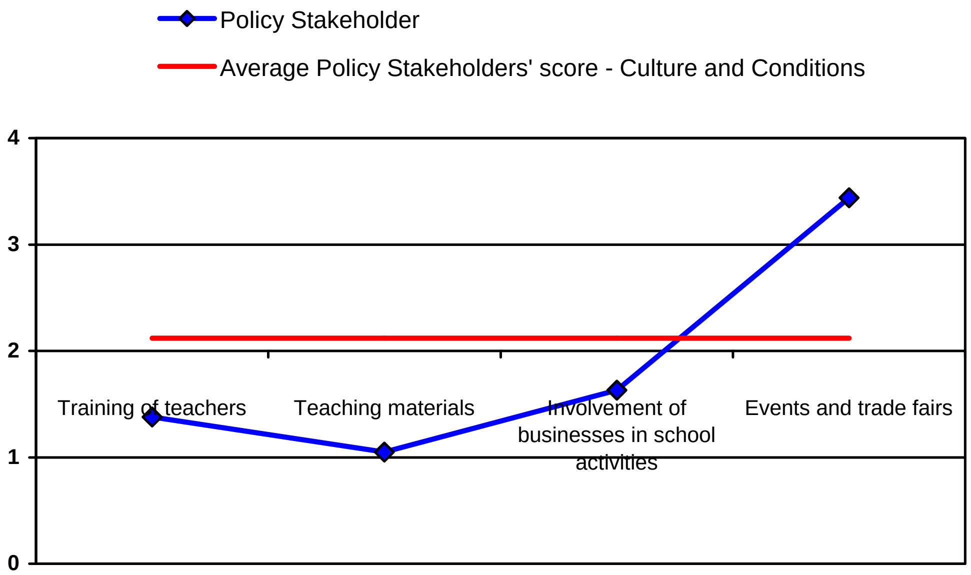


Chart 2 Summary of enterprise culture scores by specialist advisors

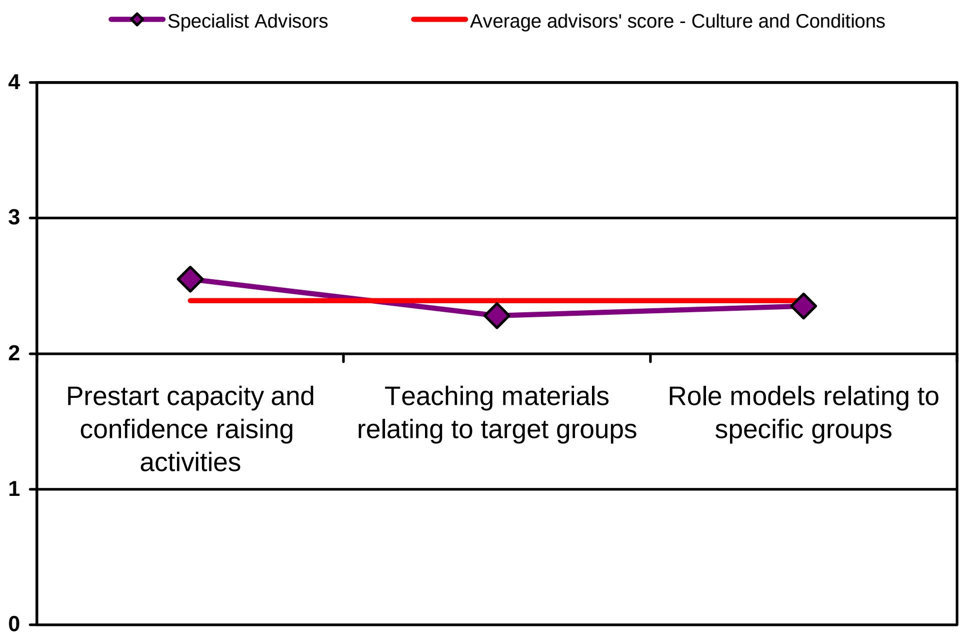
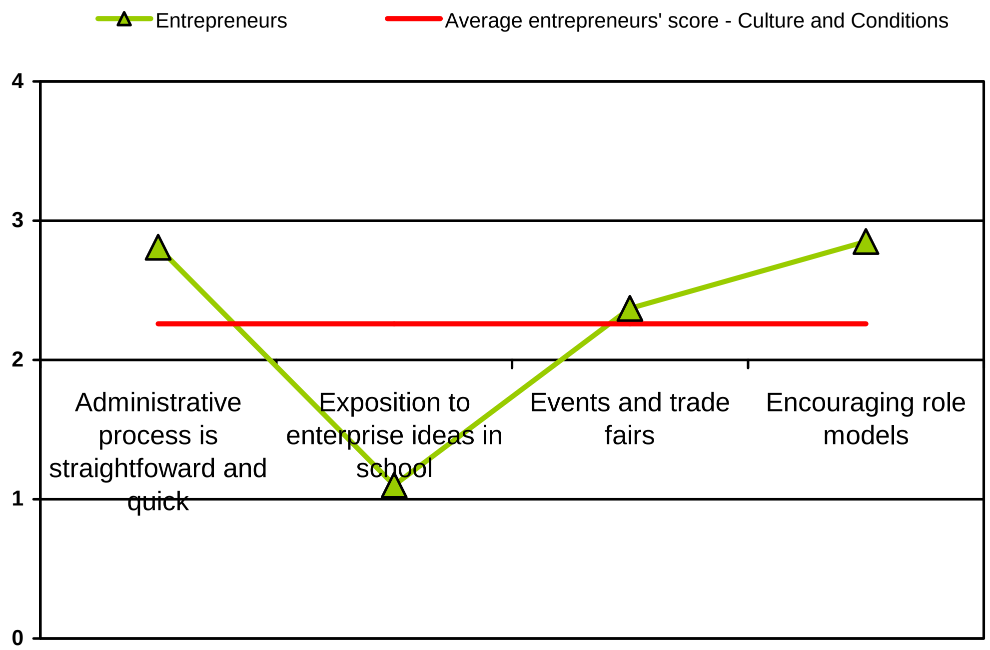


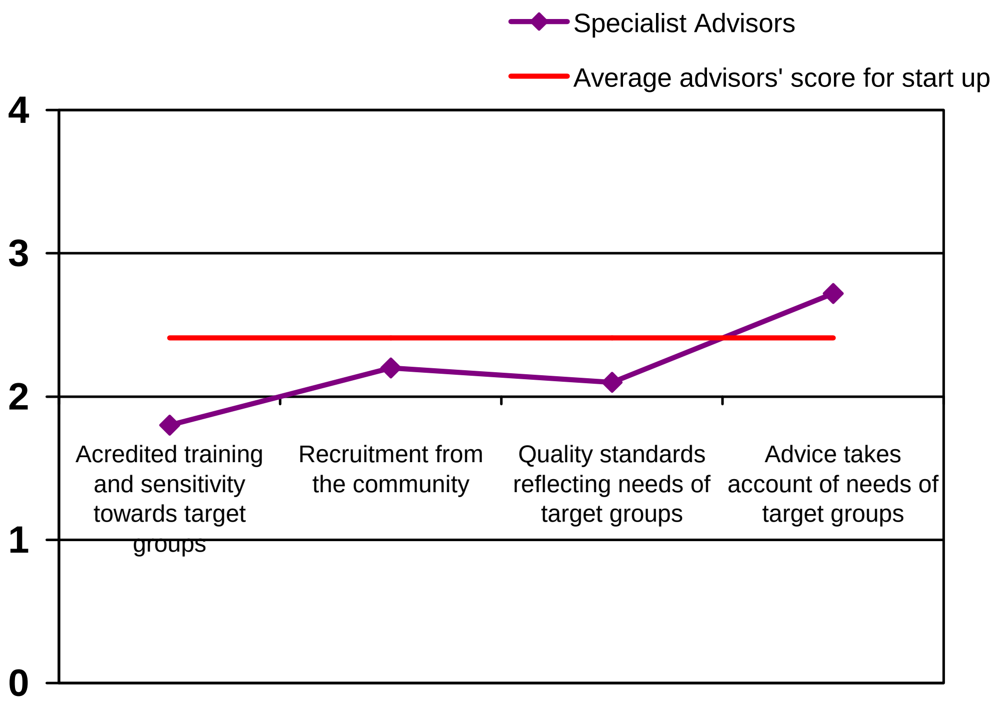
Chart 3 Summary of enterprise culture scores by entrepreneurs



- Policy makers consider this to be one of areas requiring most improvement. Entrepreneurship education in schools is clearly seen as the weakest point.
- Advisors also answer all questions about start up culture and conditions with low average scores between weak and good. Even though it is considerably higher, advisors also give the lowest score to teaching materials - just like policy stakeholders.
- Entrepreneurs agree with policy makers and advisors that entrepreneurship promotion in schools in weak – regarding events and trade fairs they rate the level of activity considerably lower than policy makers, whereas role models are obviously seen more positively by entrepreneurs than by advisors.

4.3. START-UP SUPPORT AND TRAINING

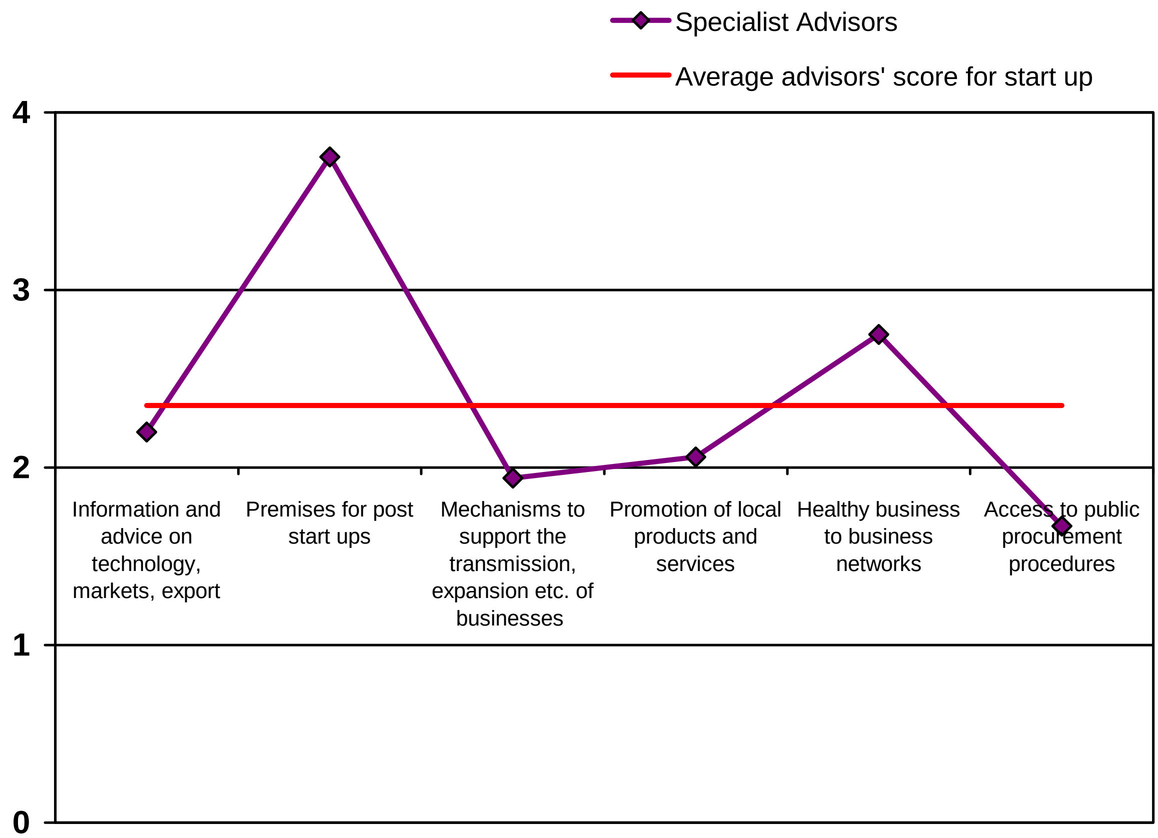
Chart 4 Summary of Start Up Support and Training by specialist advisors



- Lack of accredited training for advisors as well as a lack of quality standards reflecting the needs of target groups are perceived as a major problem by advisors.
- Recruitment from the community to work with new entrepreneurs is seen as a weak point as well.
- The quality of the advice provided however and its sensitivity towards target groups is rated much higher i.e. almost good on average.
- This shows that the system and its structure are perceived quite sceptically while the outcome is seen in a much more positive light.
- The corresponding question put to policy stakeholders on the access towards comprehensive and readily available business information and advice during start up has been valuated as being more than good by policy stakeholders. Policy stakeholders are thus even more optimistic about the quantity and quality of advice available during start up.

4.4. Support for Consolidation and Growth

Chart 5 Summary of Consolidation and Growth by Specialist Advisors



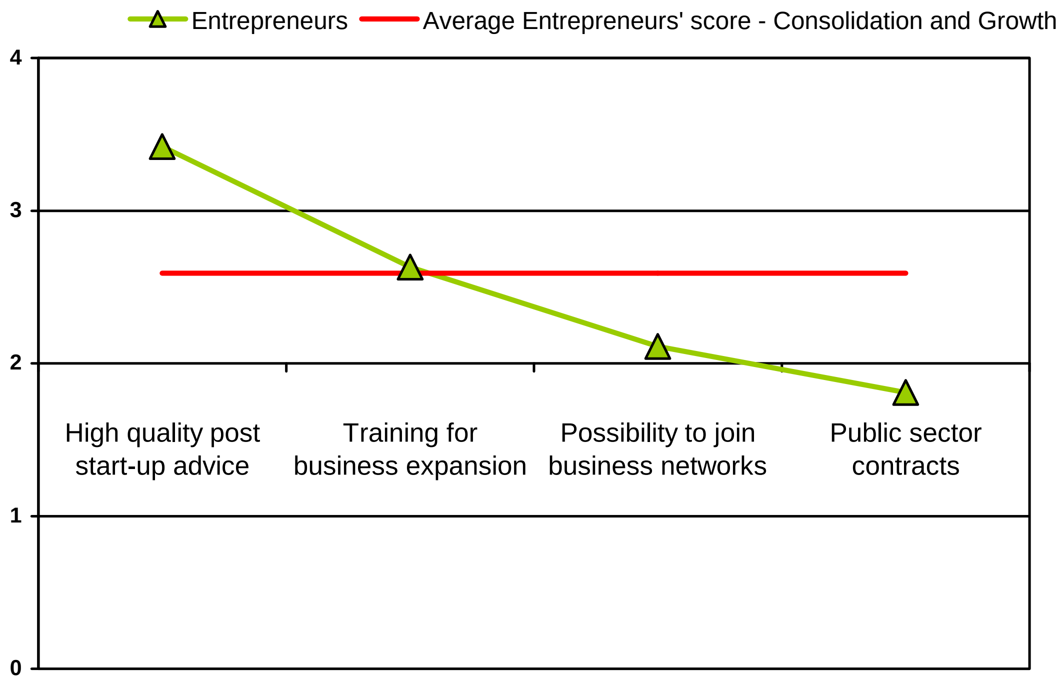
Perspectives of advisors

- Mechanisms in place to support the transmission, replication and expansion of existing businesses (franchising, cooperatives) as well as the existence of effective measures to promote the quality and image of local products and services are rated to be quite weak by advisors.
- The access to public procurement procedures for local enterprises is seen as the weakest point in this category.

More advanced business information and advice on technology, markets, export is rated to be slightly better but still rather weak during consolidation and growth.

- The availability of premises for post start ups is rated to be very good!
- There are healthy business to business networks around clusters/sectors which are open to all entrepreneurs.

Chart 6 Summary of Consolidation and Growth by Entrepreneurs



Perspective of entrepreneurss of the services

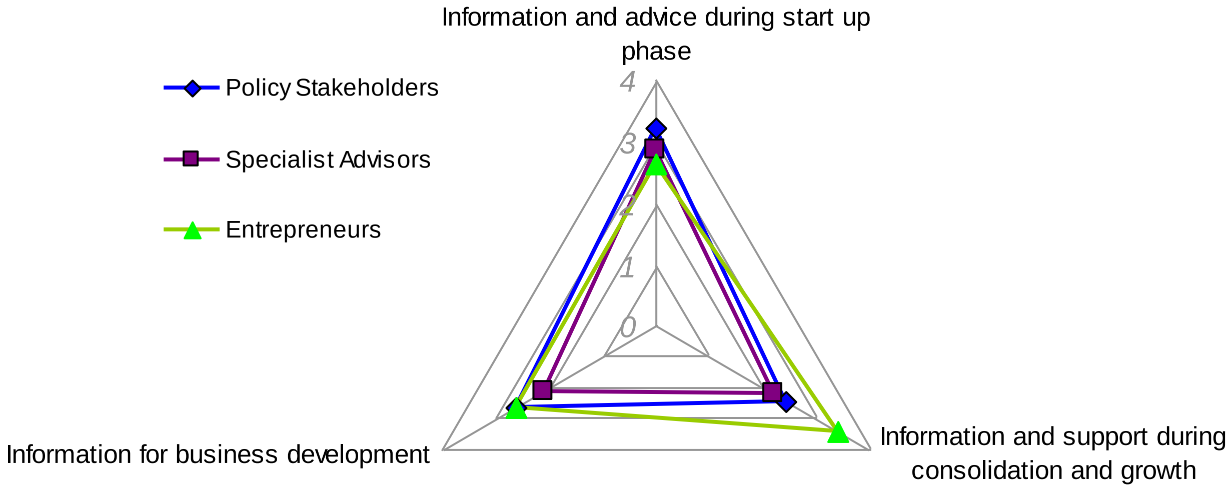
- Entrepreneurs also see the access to public sector contracts as the most problematic field so far.
- They disagree with advisors about the availability of mainstream business networks however, which they also rate to be weak.
- The availability of high quality advice for a period after start up by contrast is seen as either good or even very good.
- The access to high quality training in the areas required for business expansion (ITC, marketing, financial management…) is also seen as being good by entrepreneurs.

USING THE TOOL TO BRING OUT SPECIFIC ISSUES

As well as the presentation according to each of the four themes, it is possible to use the tool to bring out issues that are common to two or three themes. Here for example issues affecting start ups and existing entrepreneurs to do with information and advice services and workspace and incubators are explored and contrasting views of policy makers, advisors and entrepreneurs of the service are explored.

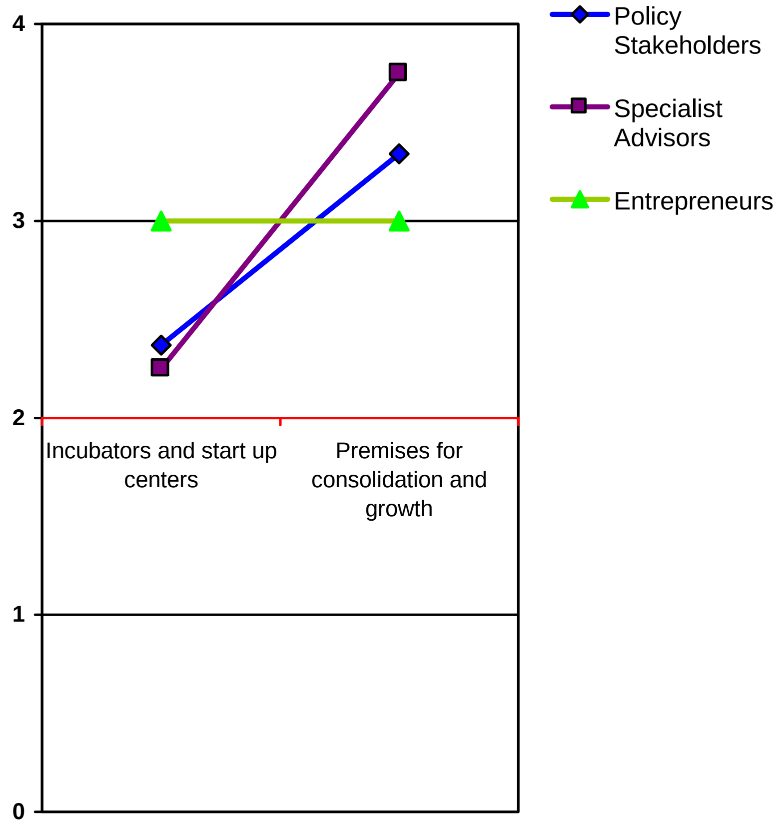
- Policy stakeholders and advisors agree that the availability of information and advice during the start up phase is adequate.
- The supply of business information and support during consolidation and growth is less well developed, and advisors see it even more pessimistically
- Regarding information for business development advisors and policy stakeholders differ the most.

Chart 7 Information and advice services



- Interestingly the data gathered from entrepreneurss so far shows that entrepreneurs see the availability of high quality information in all phases in a substantially more positive light. This is especially true for the availability of information during consolidation and growth.
- Specialist advisors are generally most pessimistic, while the policy stakeholders' ratings on the availability of information and advice are always in between advisors and entrepreneurs.
- Regarding information for business development advisors and policy stakeholders differ the most

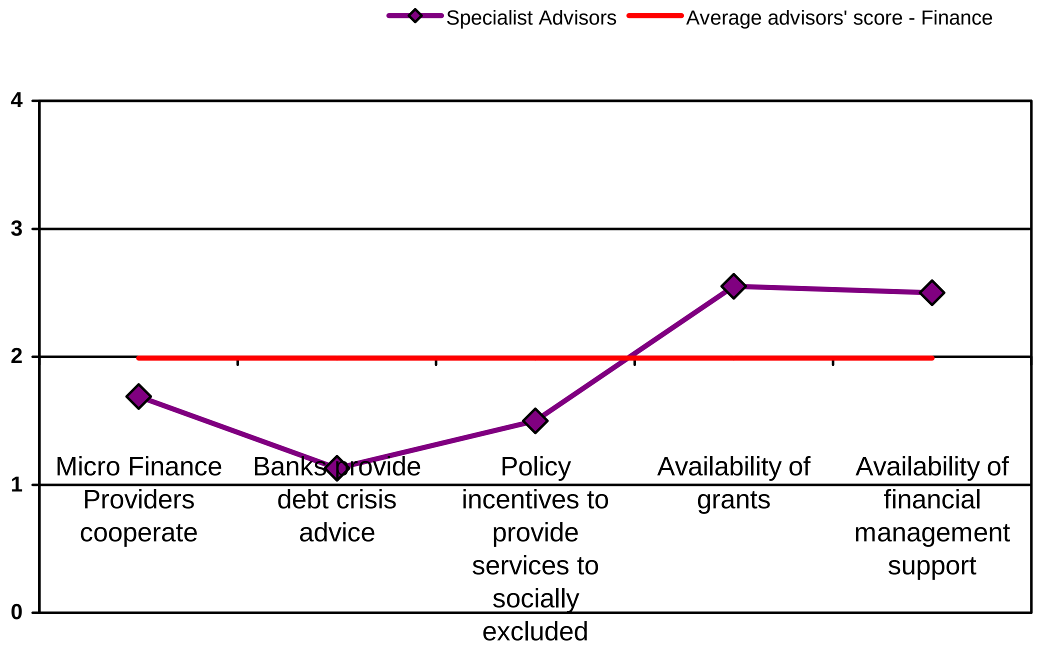
Chart 8 Premises and incubators



- Policy stakeholders and advisors agree that premises are generally readily available at affordable prices in Berlin even though advisors are interestingly considerably more optimistic.
- The situation concerning incubators and start-up centres that provide support during the start up phase is according to both groups entirely different.
- Even more surprisingly the data gathered from entrepreneurs so far shows a very different picture. They rate the availability of spaces in start up centres and incubators much exactly the same as that of business premises during consolidation and growth as being good, i.e. in the middle of the more extreme ratings of policy stakeholders and advisors.

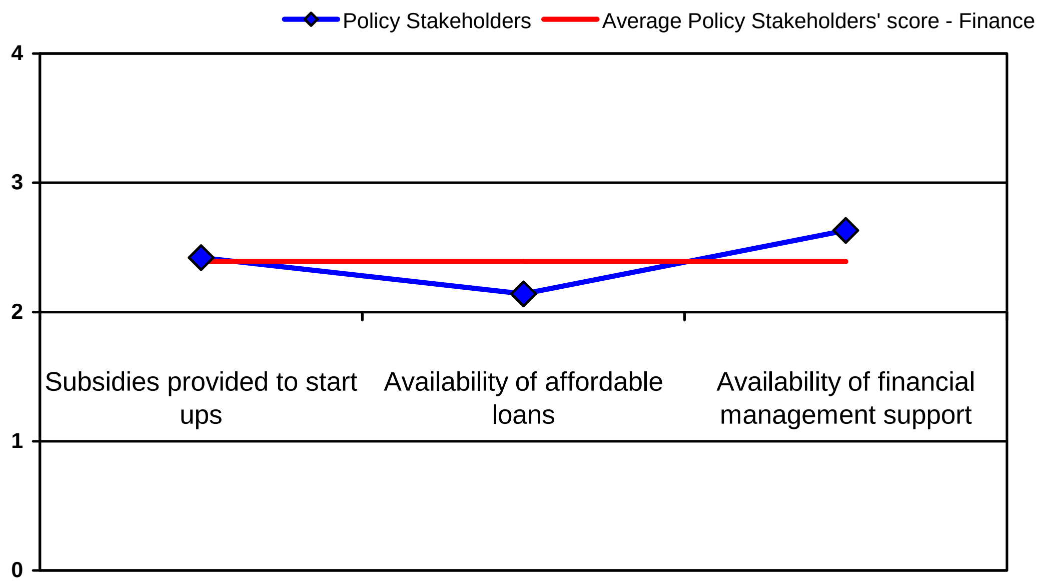
4.5. ACCESS TO APPROPRIATE FINANCE

Advisors view



- According to advisors the most problematic fields are the availability of micro finance opportunities and debt crisis advice.
- The situation relating to grants and subsidies as well as financial management support is a lot better, but has still room for improvement according to advisors.

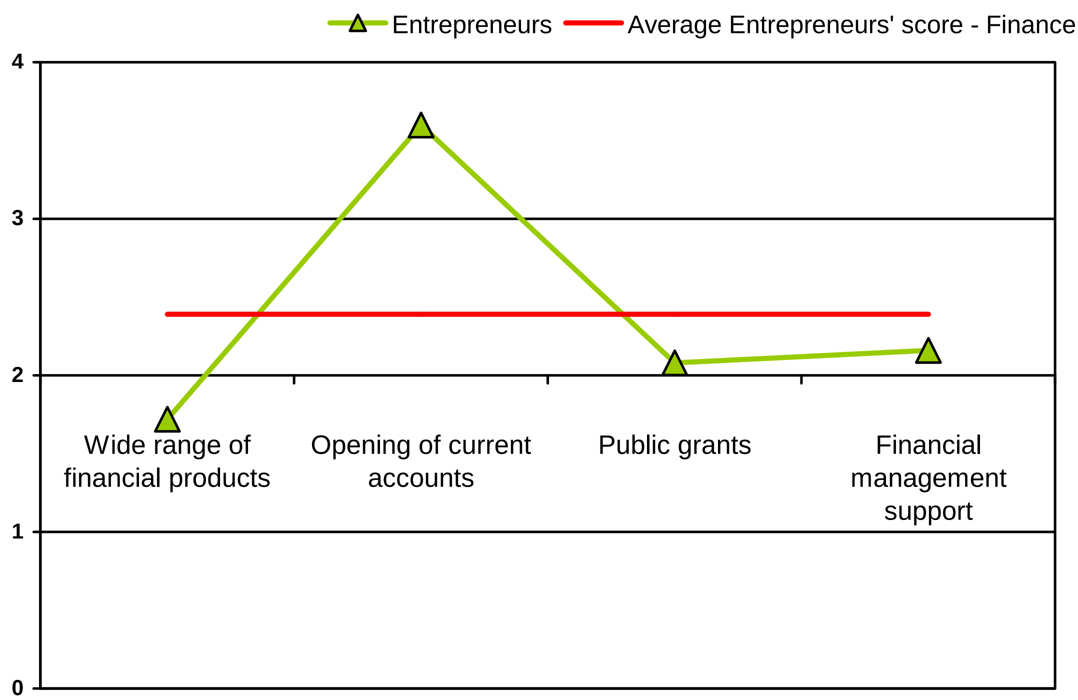
Policy maker's view



- Policy stakeholders see the availability of affordable loans to be the main financial problem for start ups.

- They agree with advisors that the availability of subsidies as well as financial management support is not as bad but should be improved

Chart 11 Summary of Access to Finance by Entrepreneurs



- Entrepreneurs have also rated the availability financial products for new entrepreneurs to be weak.
- The situation concerning current accounts is seen to be very good on the other hand.
- Financial management support is also seen as being adequate. Here they disagree with advisors.
- The provision with public grants to help cover some of the most important costs of setting up a business is in agreement with advisors rated to be almost good.

5. SUMMARY OF KEY STRENGTHS AND AREAS FOR IMPROVEMENT IDENTIFIED BY STAKEHOLDERS

5.1. INTRODUCTION

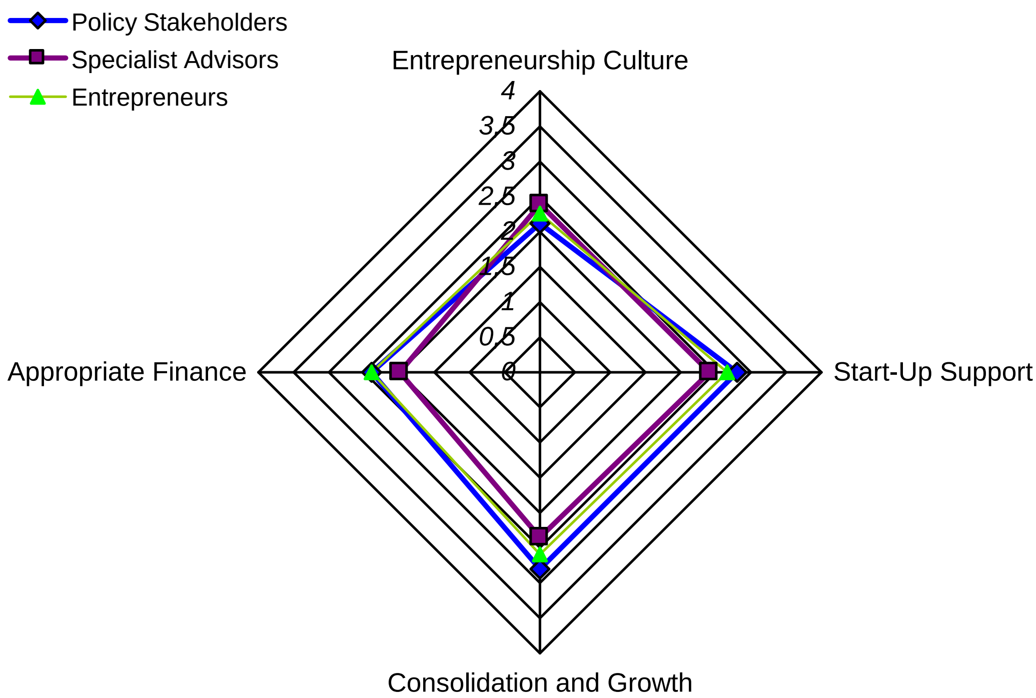
Looking at the overall results of the tool it is difficult to draw clear conclusions as to the main assets and areas for improvement in the region as the different groups differ substantially in their perception.

An area where everybody agrees is that there is much room for improvement in the establishment of a favourable entrepreneurship culture, especially in schools and universities.

While policy stakeholders think support during start up and during consolidation and growth to be good, advisors are unsure about this and rate these areas either in between weak and good.

What there is in terms of target group specific data shows a different picture depending on whether one is looking at advisors' or entrepreneurss' ratings. As there is not sufficient data in this respect one should be very careful analysing these results.
So far the data shows that advisors working with women entrepreneurs seem to see the situation for their target group to be generally more favourable than in general. This leads to the impression that they are rating the actual situation in the light of their own work, which they will naturally see in a positive light. Those working with migrants rate the situation for their target group much worse than in general. Entrepreneurss on the other hand rate the situation for the target groups they belong to generally worse than in general.

5.2. STRENGTHS AND WEAKNESSES OF THE ENTERPRISE SUPPORT SYSTEM



Despite all methodological difficulties, which occurred because the small time frame for development, the analysis has brought a number of important insights:

1. The comparison of results in the central categories of enterprise culture, pre-start-up support, post-start-up support and finances shows that decision-makers from politics and administration rate the situation better than advisors and entrepreneurs (except from the area of enterprise culture, where all three mostly agree).

2. Even if the entrepreneurial climate has considerably improved in Germany in the last couple of years, the idea of entrepreneurship as an equal professional alternative has not yet reached the social institutional system. This becomes apparent when looking at schools. All interview groups agree than teachers are not at all prepared for this and no materials have been developed to promote that field. At the same time there are a number of good practices to integrate the topic of entrepreneurship in schools (good practice).

3. All groups agree that pre- and post-start-up services are rather satisfactory. Interestingly, advisors rate lower than the other two groups. Regarding the results of the entrepreneurs it has to be considered that nearly all them have been supported by well-known services. When looking at the details, there are some noticeable results:

   The differences for the various target groups are obvious. Services oriented towards women get much higher rates than the others. This corresponds to the general line of the regional government, which puts a special emphasis on start-up promotion among women. The services for other target groups, such as people with a migrant background and people with disabilities were rated much lower. This is definitely also a good starting point for further action (good practice)

   It is also interesting to note, that integrated support services are mainly available for specific groups rather then for "mainstream unemployed business starters". By establishing service and information centres for business starters this situation could be easily improved (good practice).

   It is obvious, that advisors also see deficits in the current post-start-up services. Those entrepreneurs who have not been able to access a specific post-start-up program offered by the City of Berlin, agree with that.

   Entrepreneurs criticize that business starters are not adequately considered by public institutions when it comes to public contracts. However, this could play a significant part in stabilising recently established businesses in the region (good practice).

   The absence of quality standards for business advisors and start-up support services is also seen as problematic by all groups. A number of different organisations in Europe currently deal with that topic.

4. The ratings for the area of finances are as low as those for enterprise culture. These results are noteworthy especially when taking into account that the City of Berlin has been providing for specific finance opportunities for start-ups out of unemployment for a couple of years now. Obviously, the programmes designed do not exactly correspond to the actual needs of the target audience (good practice).

As already pointed out, these results and statements are meant to be taken with the reservation that this analysis was carried out in a pre-test stage. It nevertheless became apparent that once it is adapted and relaunched, it can deliver important information on the quality of an existing start-up infrastructure with an adequate amount of work.

6. POSSIBLE SOLUTIONS FROM OTHER REGIONS

The Community of Practice on Inclusive Entrepreneurship builds on the work carried out over the last five years by nearly 300 EQUAL development partnerships that have tested methods for opening up the process of business creation to all members of society. Many of the 12 countries involved in this work created National Thematic Networks to exchange and mainstream their findings. The Community of Practice has also drawn heavily on the work carried on within EQUAL in the Social Economy and from other EU, national and international programmes on entrepreneurship

One of the most remarkable results of all the work within EQUAL was that, although the definitions vary slightly in each Member State, the main themes dealt with in business creation were very similar across the countries. They have been described as the four parts of "an entrepreneurial ladder out of social exclusion":- creating the culture and conditions for entrepreneurship; integrated start-up support and training, support for consolidation growth and access to appropriate finance.

The fact that so many projects were concerned with similar issues was one of the reasons for designing the tool for inclusive entrepreneurship around the same four themes. This allows the Community of Practice to create a bridge between the strengths and weaknesses in the business support system detected by the tool and the good practice that has been developed by EQUAL and other pilot (and mainstream) initiatives in other countries.

So far seven countries or regions have provided over 100 examples of good practice. These are Germany, Spain, the UK, Portugal, Flanders, France and Wallonia. But the aim is to extend and improve the data base as more countries and regions become members of the Community of Practice

The search facility and data base on the COPIE website allows people to search for new ideas which are directly linked to their areas of weakness. For example, if the tool for inclusive entrepreneurship indicates that there is a particular weakness in providing microfinance to ethnic minorities, it is simply necessary to go to the data base and click on the button for appropriate finance – this then shows all the cases that have been found on this subject. The searcher can then either home in on a more precise category of project like microfinance or they can look at all the projects that have focussed on a particular target group like ethnic minorities.

THEMES AND SUB THEMES	NO SPECIFIC TARGET GROUP	FORMERLY UNEMPLOYED	WOMEN	MIGRANTS AND ETHNIC MINORITIES	50 PLUS	YOUNG PEOPLE UNDER 30	PEOPLE WITH DISABILITIES	SOCIAL ENTERPRISES
PROGRAMMING RESEARCH, STRATEGY, MONITORING, EVALUATION	Click	Click	Click	Click	Click	Click	Click	Click
CREATING THE CULTURE FOR ENTRE-PRENEURSHIP	Click	Click	Click	Click	Click	Click	Click	Click
START UP	Click	Click	Click	Click	Click	Click	Click	Click
CONSOLIDATION AND GROWTH	Click	Click	Click	Click	Click	Click	Click	Click
ACCESS TO APPROPRIATE FINANCE	Click							

For example, *in both Berlin Mitte and Flanders the* tests carried out with the tool for inclusive entrepreneurship suggested that entrepreneurship education should be improved in schools through the provision of materials and the better training of teachers. A search of the data base of good practice in the COPIE website shows up a range of helpful examples including the experience of Valnalón in Asturias.

In order to foster the early development of entrepreneurship skills in Young people Valnalon has designed programmes for each educational stage with specific training materials for teachers, students and parents. More than 16,000 students are now using them in the region and the methods have been applied in several other regions and countries

In Wales, the tests using the tool for inclusive entrepreneurship pointed out that prestart support and role models for people with disabilities and the patchy provision of incubators were challenges. The data base of good practice in the COPIE website points to some good German examples of incubators and a very promising project for people with disabilities in France

Led by a French project (CAPH), three EQUAL partnerships concerned with support to business creation by handicapped people have produced a guide for business advisors called “Beyond the barriers (Au delà des Barierres). The guide introduces business advisors to the barriers faced by entrepreneurs with disabilities and provides them with a series of suggestions for overcoming them in the different stages of creating a business.

In Asturias, the lack of mentors and coaches with business experience, recruited from the community and the absence of quality standards and accredited training for advisors were seen as challenges for business support to disadvantaged groups. Once again the data base throughs up a series of promising projects in both the UK and Germany

For example, in the UK, the partnership Business Mentoring: An Equal Partnership led by the Princes Trust has developed National Occupational Standards for Business Mentors

In Germany a number of EQUAL project came together to create the National Association of Start-up Initiatives (VDG) which now has 47 members. VDG has created a minimum quality standard for business advisors based on good practice in the first round of EQUAL

The combination of the tool and data base of good practice also allows regions and countries to identify areas in which they want to work together in the future. They can decide to test out further innovative solutions in common priority areas, share the lessons and monitor the results on the enterprise support system via the tool. This allows them to constantly improve their plans and strategies for entrepreneurship – and unleash the creativity of more and more people.

ANNEX 1 THE TOOL COMPLETED FOR BERLIN MITTE

POLICY FRAMEWORK

Region **Berlin-Mitte**
Name of Expert **Norbert Kunz**

THEME	STATEMENT	SCORE 1-4
STRATEGY	There is an overall strategy for encouraging entrepreneurship in the area	2,5
	There is a strategy which takes account of the needs of disadvantaged areas and groups	2,6
	The main organisations work together	2,4
	Total score strategy	2,5
CULTURE AND CONDITIONS	Schools and colleges have introduced entrepreneurship into the curriculum	2,4
	Teachers have been trained to work on enterprise issues	1,4
	Specially adapted teaching materials have been developed	1,0
	Children/ students are able to form real or simulated companies to learn about trading	2,1
	Businesses are regularly involved in school activities.	1,6

	The subject of setting up a business is presented comprehensively and regularly by both regional and national media	2,7
	Events and trade fairs targeted at start ups take place regularly	3,4
	There is prestart support for building entrepreneurial capacity and business ideas	2,3
	Total score enterprise culture	2,1
START-UP SUPPORT AND TRAINING	Business start ups can access comprehensive and readily available business information and advice	3,2
	There are affordable business premises with easy to enter and exit conditions	2,4
	Total score start-up and training	2,8
SUPPORT FOR CONSOLIDATION AND GROWTH	Post-start up support is easily available	2,4
	it is easy to find information for business development (products, markets, export, technology)	2,6
	Premises are available for post start ups	3,3
	Total score consolidation and growth	2,8
ACCESS TO FINANCE	Subsidies are provided to business start ups	2,4
	Loans are affordable and easily available	2,1
	Financial management support is available	2,6
	Total score access to finance	2,4

Note: For specialist advisors there was not enough target group specific data to be representative or even non at all for some groups. Thus the only relevant data will be found in the “no specific target group” column

SPECIALIST ADVISORS (FILL IN THE COLUMNS THAT THEY DEAL WITH)					
	Name of region	**Berlin-Mitte**			
	Name of Expert	**Norbert Kunz**			
THEMES	**Statement**	**no specific target group**	**Unemployed**	**women**	**migrants and ethnic minorities**
CREATING THE CULTURE FOR ENTRE-PRENEURSHIP	There are (prestart) capacity and confidence raising activities among target groups and communities.	2,55	2,50	1,88	1,75
	Teaching materials relate to specific groups	2,28	2,00	1,88	1,00
	role models relate to specific groups	2,35	2,00	2,25	1,00
	Score for enterprise culture	2,39	2,17	2,00	1,25
START UP	business start ups can access free, high quality and readily available business information from professional	2,85	2,25	2,88	2,25
	Business support organisations have established mechanisms for finding out about the real barriers to business creation among target groups (research, monitoring, proofing, regular contact..)	2,40	2,00	2,25	2,00
	outreach services go into communities to reach target groups	2,95	2,00	2,75	1,00

	Mentors/coaches with business experience are recruited from the community to work with new entrepreneurs	2,20	1,50	3,25	1,00
	Business advice and planning methods take account of the needs of each target group	2,72	2,50	3,25	1,00
	There are quality standards for business advice which reflect the needs of target groups	2,10	1,50	3,13	2,00
	Business advisors receive accredited training and are sensitive to the needs of target groups	1,80	1,00	3,13	3,00
	Incubators or start-up centres have been established and are accessible to target groups	2,25	1,00	2,13	2,00
	score for start up	2,41	1,72	2,84	1,78
CONSOLIDATION AND GROWTH	More advanced business information and advice on technology, markets, export is accessible to all entrepreneurs	2,20	2,00	1,63	1,00
	Specific support is available to entrepreneurs for breaking into potential growth markets and sectors	2,10	1,50	1,88	1,00
	Premises are available for post start ups	3,75	3,00	3,75	2,00
	Mechanisms are in place to support the transmission, replication and expansion of existing businesses (franchising, cooperatives…)	1,94	1,50	2,33	2,00
	There are healthy business to business networks around clusters/sectors which are open to all entrepreneurs	2,75	1,00	3,00	1,00
	There are effective measures to promote the quality and image of local products and services	2,06	1,50	2,00	2,00

	Public procurement procedures have been made accessible to local private and social enterprises	1,67	1,00	1,00	1,00
	score for consolidation and growth	2,35	1,64	2,23	1,43
ACCESS TO APPROPRIATE FINANCE	Mechanisms are in place for finding out the real financial needs of different kinds of entrepreneurs	2,55	1,50	2,88	1,00
	Specialist micro finance providers work together with business support organisations and financial institutions	1,69	1,50	1,50	1,00
	Banks provide debt crisis advise	1,13	1,50	1,25	No data
	policy incentives exist to encourage for financial service providers to provide services to the socially excluded e.g. community reinvestment act	1,50	1,00	1,67	3,00
	grants are fast and flexible and help cover the most important start-up costs (running costs, advice, test trading…)	2,55	2,50	2,50	1,00
	financial management support is available with grants and loans	2,50	2,00	2,75	3,00
	score for access to appropriate finance	1,99	1,67	2,09	1,8

ENTREPRENEUR QUESTIONS								
SCORE 1 to 4 where 4 is good								
Name of region	Berlin-Mitte							
Name of expert	Norbert Kunz							
THEMES		**no specific target group**	**unemployed**	**women**	**migrants and ethnic minorities**	**50 plus**	**Young people under 30**	**People with disabilities**
CREATING THE CULTURE FOR ENTRE-PRENEURSHIP	I found the administrative processes for setting up a business straightforward and quick	2,8125	2,946428571	3,21875	2	3	2,375	3,666666667
	I was exposed to enterprise ideas while at school	1,1	1,142857143	1,125	2	1	1,25	1
	Entrepreneurs like me are well presented in the media	2,184210526	2,192307692	2,125	1	3	3,25	2
	I have attended events and trade fairs targeted at start ups	2,375	2,25	1,875	1	4	2,75	3,333333333

	There are role models to encourage people like me to go into enterprise	2,85	2,714285714	2,625	2	1	4	2,333333333
AVERAGE SCORE		2,264342105	2,249175824	2,19375	1,6	2,4	2,725	2,466666667
START UP SUPPORT	The advice system is easy to access and to get around	2,175	2,142857143	1,875	3	2	1,75	2
	The business support available is friendly and answers my needs	2,65	2,75	2,625	3	3	2,125	2,666666667
	I have had access to a mentor	3,1	3	2,625	1	4	3,25	3,333333333
	Specialised training and materials are available which meets my needs	2,263157895	2,214285714	2,125	3	2	2	2
	It is possible for me to obtain recognition and accreditation for training and experience which reflects my real skills	2,4	2,571428571	2,5	3	2	2,25	2,666666667
	there are networking opportunities for start ups like ourselves	3,05	3	3	3	2	3	3
	There are affordable business premises with easy to enter conditions (short leases, etc)	3	3,076923077	2,7142857 14	3	3	2,75	3
AVERAGE SCORE		2,662593985	2,679356358	2,4948979 59	2,714285714	2,571428571	2,4464285 71	2,666666667

CONSOLIDATION AND GROWTH	All entrepreneurs are able to obtain high quality advice for a period after start up	3,421052632	3,230769231	3	3	3	3,333333333	3,666666667
	Entrepreneurs like us can easily access high quality training in the areas required for business expansion (ITC, marketing, financial management…)	2,625	2,607142857	2,375	3	4	1,75	4
	It is easy to join mainstream business networks	2,111111111	2,384615385	2,5	3	3	2,25	2
	There are sufficient premises of an affordable nature to allow for business growth	3	2,615384615	2,714285714	2	1	3,25	2
	Public sector contracts are accessible to entrepreneurs like ourselves	1,805555556	1,791666667	1,571428571	2	3	1,333333333	2
AVERAGE SCORE		2,59254386	2,525915751	2,432142857	2,6	2,8	2,383333333	2,733333333
ACCESS TO APPROPRIATE FINANCE	Banks provide a wide range of financial products to entrepreneurs like us	1,725	1,892857143	1,75	2	1	2	1,333333333
	It is easy for all to open a current based bank account	3,6	3,571428571	3,625	3	4	4	2,666666667

	Public grants help cover some of the most important costs of setting up a business and are easy to access.	2,078947368	2,321428571	2,4375	3	2	1,5	1,666666667
	It is easy to get support for managing the financial aspects of the business	2,157894737	2,428571429	2,25	3	3	1,5	2,333333333
AVERAGE SCORE		**2,390460526**	**2,553571429**	**2,515625**	**2,75**	**2,5**	**2,25**	**2**