

# Study finds there is no silver bullet for strengthening regional propensity to start a business

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Successful start-up ecosystems are characterized by good transport and telecommunications infrastructure, a high population density, a high

proportion of foreign citizens, and numerous qualified employees. IfM Bonn researchers found this and published results in their study, "Start-up activity at the district level and in independent cities: What characterizes successful start-up ecosystems?"

In order to answer this question, Dr. Rosemarie Kay and her team examined differences in the design of regional start-up ecosystems at the district level based on extensive data. For the first time, business start-ups in trade and the liberal professions were considered together.

"At first glance, cities seem to offer start-up founders better locational factors than rural regions. At the same time, there are also cities in Germany whose population has a below-average propensity to start a business. These are Wolfsburg (Lower Saxony), Bottrop (North Rhine-Westphalia), St. Wendel (Saarland) or Jena (Thuringia)," reports the head of the study.

In contrast, the IfM researchers found eleven rural districts where the propensity to start a business was above average in recent years. These outstanding rural districts include Marburg-Biedenkopf (Hesse), Miesbach, Bad Tölz-Wolfratshausen and Garmisch-Partenkirchen (all Bavaria) as well as the districts of Görlitz (Saxony), Dahme-Spreewald, and Teltow-Fläming (Brandenburg).

According to Dr. Rosemarie Kay, there is no silver bullet for developing an excellent regional start-up ecosystem. Nor do regional start-up ecosystems have to be outstanding in every respect to be associated with a high propensity to start up.

"Rather, we have found that specific strengths can compensate for specific weaknesses. In the case of the [district](#) of Görlitz, for example, where many Polish-born construction workers are self-employed, the border location seems to have a positive effect. In other districts,

universities or tourist offers can compensate for the regional weaknesses. In other words, the bundle of framework conditions conducive to [start-ups](#) can vary greatly from region to region. Ultimately, a good start-up ecosystem depends on a favorable interplay of different factors," says Dr. Rosemarie Kay. This interplay can stabilize start-up activity in a region even during a crisis, as another IfM study analyzing the COVID-19 pandemic shows.

**More information:** Research paper (in German): [www.ifm-bonn.org/fileadmin/dat...d-Fakten-31\\_2022.pdf](http://www.ifm-bonn.org/fileadmin/dat...d-Fakten-31_2022.pdf)

Provided by Institut für Mittelstandsforschung (IfM) Bonn

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