Diversity and entrepreneurship in the city of Athens: Different views and ambiguous perceptions of local entrepreneurs

di Dimitris Balampanidis

Abstract
The aim of this paper is to explore the role that the increasing urban diversity plays in the establishment, development and competitiveness of entrepreneurship. The study focuses on a central neighbourhood of Athens (Akadimia Platonos) and takes into account the condition of a long and continuous economic crisis. Research questions are explored through in-depth interviews with local entrepreneurs. The main argument of the paper is that perceptions of urban diversity differ depending on the individual profile of the interviewees and the aspects of diversity being discussed. It is suggested that the issue of urban diversity should be opened up to public debate, the aim being to understand and adequately address all its multiple aspects and effects on entrepreneurship and everyday life in general.

Keywords: diversity, entrepreneurship, perceptions, ambiguities, Athens.
JEL Classification: J15, L26.

Diversità e imprenditorialità ad Atene: Differenti visioni e percezioni ambigue degli imprenditori locali

Riassunto
L'obiettivo di questo lavoro è di esplorare il ruolo che la crescente diversità urbana svolge nell'instaurazione, nello sviluppo e nella competitività dell'imprenditorialità. Lo studio si concentra su un quartiere centrale di Atene (Akadimia Platonos) e prende in considerazione la condizione dettata da una lunga e ininterrotta crisi economica. Le domande di ricerca vengono indagate attraverso interviste approfondite con imprenditori locali. L'ipotesi principale è che le percezioni della diversità urbana varino a seconda del profilo individuale dei soggetti intervistati e degli aspetti della diversità messi in discussione. Viene suggerito che il tema della diversità urbana venga aperto al dibattito pubblico, con l'obiettivo di comprendere e affrontare in modo adeguato tutti i suoi molteplici aspetti e effetti sull'imprenditorialità e sulla vita quotidiana in generale.

Parole chiave: diversità, imprenditorialità, percezioni, ambiguità, Atene

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Introduction

Similarly to many other metropolitan cities around the globe, Athens has long been - and still is - a diverse city, both in terms of its built environment and of its population. Especially since the early 1990s, when the so-called new immigration to Greece began, the population of major Greek urban areas, and primarily Athens, has been significantly diversified. Large inflows of immigrants and refugees - originating mostly from the Balkans and Eastern Europe (Cavounidis, 2002) but also from the Middle East, Asia and Africa (Kandylis et al., 2012) - contributed not only to the ethnic diversity of cities but also to diversity in cultures and lifestyles.

Against the background of a continuously increasing urban diversity, the city of Athens is expected to ensure social cohesion and attain high rates of economic growth, that is, to guarantee and increase the well-being of the population. This is a significantly difficult challenge, given the context of a long and continuous crisis which broke out as a fiscal problem of a massive budget deficit back in 2007, but evolved into a multi-faceted humanitarian crisis. So far, the crisis has deeply affected a wide range of social categories - primarily women, young people and immigrants (Vaiou, 2014) - in all fields of everyday life, such as housing, entrepreneurship, education, health, transport and the environment (Serraos et al., 2016). Especially in the field of entrepreneurship, which is at issue here, the most serious and visible effects of the crisis include the dramatic decrease of turnover and profits in trade, as well as the increasing number of closed businesses, even in highly commercial and touristic areas of the city.

Successful entrepreneurship is considered a key factor for cities to stimulate economic growth, assure social cohesion and thus improve the well-being of citizens. This is the reason why entrepreneurial competitiveness has been widely set as an important objective of urban policies (Fainstein, 2005; Bodaar and Rath, 2005). In this spirit, successful entrepreneurship could contribute to the achievement of economic success in the case of Athens too, thus providing a way out of the long-lasting crisis. Considering various key factors and favourable conditions for entrepreneurial success, this paper examines if and to what extent the development of entrepreneurship in the city of Athens could profit from urban diversity in particular. Diversity is examined in all its aspects, including diversity in land uses and urban functions, social and ethnic diversity, but also diversity in cultures and lifestyles. The paper questions whether these aspects of urban diversity constitute a key factor for the engagement of people in entrepreneurial activities, for their locational choices, as well as for the economic performance of their businesses.
1. The role of urban diversity in entrepreneurship: evidence emerging from the literature

In global literature relating to entrepreneurship, scholars have revealed various motivating factors and conditions that favour the establishment, development and competitiveness of entrepreneurial activities in cities. Such favourable factors and conditions may relate to the socio-demographic characteristics of entrepreneurs (such as gender, age, family background and educational level), to individual preferences and perceptions (such as preference for self-employment and perception of job security, risk tolerance, professional advancement and economic performance), as well as to contextual variables (such as the local economic environment, institutional framework, administrative complexities, availability of financial support, technological progress and cultural particularities) (Armington and Acs, 2002; Blanchflower, 2004; Freytag and Thurik, 2007; Grilo and Thurik, 2008). Moreover, the establishment, development and competitiveness of entrepreneurship in certain city neighbourhoods have been linked to the existing human capital. Scholars have put particular emphasis on the importance of established local social networks, that is, family bonds, circles of friends or relationships between colleagues (Granovetter, 1985; Aldrich and Zimmer, 1986; Greve, 1995; Jensen, 2001; Hoang and Antoncic, 2003; Ripolles and Blesa, 2005). Social networks provide entrepreneurs with a wide range of valuable resources (such as access to information, advice, knowledge, skills and finance, social legitimacy, reputation and credibility), all of which have a positive impact on the economic performance of businesses (Portes and Sensenbrenner, 1993; Völker and Flap, 2004; Pichler and Wallace, 2007; Klyver et al. 2008; Schutjens and Völker 2010).

The research has paid particular attention to “ethnic entrepreneurship”, with scholars revealing a wide range of factors that motivate immigrants to engage in entrepreneurial activities and help their businesses achieve good economic performance (Kloosterman et al. 1999; Kloosterman and Rath, 2001). For instance, it is quite common for engagement in entrepreneurship to be an alternative for immigrants who face long-term unemployment or economic and social discrimination in the local market (Bonanich, 1973). Choosing a specific entrepreneurial sector may depend on the family environment, educational level, professional experience, 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 locational choices, they 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). Here too, ethnic-based social
networks play an important role in locational choices: relatives and friends from the country of origin often provide migrant entrepreneurs with start-up capital, low-waged labour, an initial customer base and supplier chain, information, knowledge and solidarity (Portes, 1995).

All motivating factors and favourable conditions mentioned above (i.e. the individual characteristics of entrepreneurs, social networks and contextual variables) have been described as the “entrepreneurship capital” of cities (Audretsch and Keilbach, 2004), namely as valuable resources for the establishment, development and competitiveness of entrepreneurial activities. But what about the role of urban diversity in particular? Is urban diversity - in all its aspects - part of the “entrepreneurship capital” of cities?

Studying the role that urban diversity plays in the establishment, development and competitiveness of entrepreneurship in urban space, scholars have actually highlighted significant positive effects. Generally speaking, it is observed that cities that are open to diversity develop a more lively and dynamic entrepreneurial life than cities that are relatively closed (Fainstein, 2005; Taşan-Kok and Vranken, 2008; Eraydin et al., 2010). A diverse urban population may stimulate the development of new goods and services (Leadbeater, 2008), while a diverse workforce may create more knowledge, generate new ideas and make better decisions (Page, 2007). Especially “ethnic entrepreneurs” - through their immigration experience - may contribute to knowledge spillovers and the international networking of local markets, thus reducing information and communication costs for businesses (Saxenian and Sabel, 2008). Overall, ethnic diversity in cities has proved to be not only economically profitable, but also beneficial for creativity, productivity and innovation, at least in the long term (Alesina and La Ferrara, 2005; Ottaviano and Peri, 2006). Moreover, cultural diversity has proved to be attractive for creative, highly skilled and liberal-minded entrepreneurs, considered key drivers of urban economic growth (Florida, 2002; Boschma and Fritsch, 2009).

However, the positive impact of urban diversity on the establishment, development and competitiveness of entrepreneurship constitutes only one side of the coin. Diversity may also have a negative impact on entrepreneurship since, for example, it may reduce trust and cooperation between different population groups, give rise to conflicts of interests and thus make knowledge-sharing, decision-making, creativity and productivity difficult (Alesina and La Ferrara, 2005; Page, 2007; Kemeny, 2012; Churchill, 2017). Moreover, the positive impact of urban diversity is not confirmed in all different contexts. In fact, the effects of urban diversity on the development of entrepreneurship, employment rates and wages may vary significantly from one city to another. For instance, research evidence for US cit-
ies suggests that cultural diversity may be linked to increasing productivity and price gains (Saiz, 2003; Ottaviano and Peri, 2006; Sparber, 2010) but also to social, political and economic costs, at least in the short term (Putnam, 2007). Similarly, findings from UK cities show some positive links between diversity and urban economic performance, but also zero or even negative associations between some diversity measures and urban wages or employment rates (Nathan, 2011; 2015). Given its ambiguous effects, it is not surprising that diversity - in terms of gender, culture and ethnicity - is only partially “a core motive for entrepreneurship”, as observed by Alexandre-Leclair (2014) for both North American and West European cities.

According to evidence stemming from the literature, urban diversity emerges as a key factor (positive, negative or both) for the establishment, development and competitiveness of entrepreneurship in urban space. However, scholars underline that there has been little research assessing the impact of diversity and it has focused mostly on certain cities of the world (Nathan, 2011; Alexandre-Leclair, 2014). This leads to a limited understanding of the complexity of diversity, especially when it comes to official urban policies, but also to unofficial initiatives aiming at the development of socially just and economically inclusive cities (Syrett and Sepulveda, 2011; 2012). For these reasons, scholars call for further research and theoretical elaboration on the question of diversity and entrepreneurship in various countries around the globe, as well as at all different scales of space (i.e. at the country, city and neighbourhood level).

The relationship between urban diversity and entrepreneurship also needs to be further explored in the case of Athens. So far, there is only a limited literature (Lianos and Psiridou, 2008), focused mainly on “ethnic entrepreneurship” developed in central neighbourhoods of the city against the background of the deep and continuing economic crisis. Scholars have focused on the particular forms and geography of “ethnic businesses”, as well as on the perceptions of “ethnic entrepreneurship” by the locals, revealing interethnic entrepreneurial relationships, conflicts and competition (Kandylis et al., 2007; Mavrommatis, 2008; Tsiganou, 2013). Moreover, scholars have focused on high concentrations of migrant businesses and their economic performance, stressing the vital contribution of “migrant entrepreneurship” to the regeneration of local markets and the attractiveness of the city (Mavrommatis, 2008; Balampanidis and Polyzos, 2016; Hatziprokopiou and Frangopoulos, 2016). However, research attention has not yet turned to the study of urban diversity in particular as a key factor for the establishment, development and competitiveness of entrepreneurship.
2. Research questions and methodological considerations

As already mentioned, although the relationship between urban diversity and entrepreneurship has drawn the attention of the academic world, empirical research is quite limited and usually provides evidence at the macro level. The research presented in this paper provides more insight into the potential role of urban diversity in the establishment, development and competitiveness of entrepreneurship, focusing on the city of Athens and adding evidence at the micro level of a specific neighbourhood close to the city center.

Following the existing scientific debate and considering issues emerging from the literature, the main question here concerns the effects of urban diversity on entrepreneurial activities established and developed in an urban environment. Diversity is explored in all its aspects, including diversity in land uses and urban functions, social and ethnic diversity, as well as diversity in cultures and lifestyles. Is urban diversity a motivating factor for people to engage in entrepreneurial activities? Is it an important parameter for the locational choices of entrepreneurs? And, finally, is it a success or a failure factor for the economic performance of businesses?

The research questions raised above are of particular importance, especially in the case of Greece and its capital city, given the local condition of a long and continuous crisis that has deeply affected entrepreneurship and especially small and medium-sized businesses. The Hellenic Statistical Authority estimates that turnover in retail trade at the national level has dropped by almost 40% since 2008 (ELSTAT, 2017). At the same time, closed businesses in the centre of Athens reached 32% in 2013, compared to 16% in 2010 (INEMY-ESEE, 2015, p. 4); these figures vary depending on the street, neighbourhood and type of business (Balampanidis et al., 2013).

The research questions raised above are also of particular interest in the specific study area, i.e., the neighbourhood of Akadimia Platonos. This is a historic and dynamic neighbourhood of Athens located at the south-western part of the city, in close proximity to the city centre, and displays some crucial characteristics for the research presented here. Firstly, Akadimia Platonos is a diverse neighbourhood, both in terms of land uses as well as population. In fact, it is a multi-functional area (home to residential, commercial, manufacturing, leisure, touristic and other activities) with inhabitants of various social and ethnic backgrounds. Secondly, it is one of the city’s neighbourhoods that have been hit the hardest by the crisis, with closed businesses reaching almost 50% along its very central commercial streets.
To give some more contextual information, Akadimia Platonos has almost 65,000 inhabitants (EKKE-ESYE, 2005) and, similarly to most of the central areas of Athens, it used to be, and still is, a socially and ethnically mixed neighbourhood. However, two major demographic changes occurred during the last few decades. The first one took place in the 1980s, when Akadimia Platonos lost a considerable number of its residents after they moved to the suburbs in search of better living conditions, following a general trend of suburbanisation. This move to the suburbs was “socially asymmetric”, involving only a part of the middle and upper socio-professional categories (Emmanouel, 2006). Thus, despite the fact that suburbanisation trends continued during the 1990s and 2000s, the neighbourhood still preserves a socially diverse population. The second important demographic change took place during the early 1990s, when the so-called new immigration to Greece, and primarily to Athens, began. Akadimia Platonos turned into 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 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 of the city.

Against the contextual background presented above, the relationship between urban diversity and entrepreneurship in the neighbourhood of Akadimia Platonos was explored through qualitative research, which included 40 in-depth interviews with local entrepreneurs.1 Interviews were conducted during the last trimester of 2015 and given by a diverse sample of interviewees. In fact, both Greek and migrant entrepreneurs were interviewed, the latter originating from Albania and Pakistan. The sample comprised almost the same number of women and men (17 and 23 interviewees respectively), aged between 25 and 70, of various socio-economic backgrounds (from lower class to upper-middle class individuals) and different educational levels (from basic secondary and technical education to higher

1 For the research report, written as part of the EU-FP7 DIVERCITIES research project, see Balampanidis et al., 2016.
education). 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, tailoring and shoe-making businesses, pharmacies, hair salons and garages. An important number of the interviewed entrepreneurs provide more specialised services in the sector of education, sports and health, through local businesses like private tutoring schools for secondary education, language and computing classes, fitness centres and private clinics. Finally, a smaller number of the interviewed entrepreneurs are engaged in creative and innovative businesses related to cultural activities, arts, engineering, new and high-technology products and services. Overall, the sample of interviewees sufficiently reflects the various types of entrepreneurship developed in the neighbourhood.

It is important to highlight that urban diversity and its role in entrepreneurship were not explored as an objective reality, but rather through the subjective perception of each interviewee as expressed through the interviews. As Vertovec suggests (2012, p. 306), diversity “has eventually been elaborated, promoted and variously codified to the point that it is now part of everyday understanding”; it represents a “set of ideas and practices that has been added to the social imaginary, the moral order”, as the latter have been described by Charles Taylor (2004). In this sense, discussing diversity with local entrepreneurs in Akadimia Platonos revealed their individual views on, and perceptions of, diversity and its effects, which eventually shape the “reality” of their everyday life in the study area. As will be shown below, the initial assumption that there is no common perception of urban diversity but, instead, perceptions differ depending on the individual profile of the interviewees and the aspects of diversity being discussed, was finally confirmed.

3. Discussing urban diversity with entrepreneurs in Akadimia Platonos

Interviews with local entrepreneurs revolved around the three main research questions which are being explored here: if and to what extent urban diversity - in all its aspects - constitutes, first, a motivating factor for people to engage in entrepreneurial activities; second, an important parameter for the locational choices of entrepreneurs; and, third, a success or failure factor for the economic performance of businesses. In the following, the opinions expressed by the interviewed entrepreneurs are given through their
own statements, and are thoroughly commented on according to the auth-
or’s subjective interpretation.

3.1 Diversity as motivation for establishing a business in a specific neigh-
bourhood

The motivating factors for entrepreneurial engagement in the neigh-
bourhood of Akadimia Platonos highlighted by the interviewed entrepre-
neurs are in line with those already revealed in the literature. In general,
they are related to the entrepreneurs’ social and ethnic background, to their
individual preferences and perceptions, as well as to city- and neighbour-
hood-specific variables. Among all motivating factors, social networks es-

tablished in the neighbourhood are proved to be of particular importance
for the majority of the interviewed entrepreneurs. As for urban diversity,
which is at issue here, it is only partially a motivating factor for entrepre-
neurs to set up their business in the specific neighbourhood.

General motivations for establishing a business strongly relate to the ed-
ucational and professional background of the entrepreneurs. Establishing a
business may offer a career prospect to people who have not pursued higher
education studies after school, nor have acquired other specialised skills.
Alternatively, it may be a “plan B” for people who have not managed to get
a job in the sector they have specialised in and face long-term unemploy-
ment. Beyond the educational and professional background, the family en-
vironment also proves to be a significant factor for engaging in entrepre-
neurship, especially for people whose relatives already own a business or
have similar professional experience. Last but not least, it is quite common
for people (regardless of their educational, professional and family back-
ground) to initiate their own business - despite the high risk entailed, espe-
cially after the outburst of the economic crisis - seeking a way out of pro-
fessional stagnation, low-paid work and job insecurity.

With regards to the locational choices of entrepreneurs, interviewees re-
vealed a wide range of motivating factors for establishing their business in
the specific neighbourhood of the city. These motivating factors vary from
individual motivations and perceptions of the neighbourhood to certain
functional attributes of the built environment, economic opportunities in the
local market, even the aesthetics of the existing building stock. One of the
most important individual motivations is 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 of their life. In this case,
the already established social networks are of particular importance, since
family, friends and co-ethnics usually offer start-up financial support to entrepreneurs, share with them information and professional knowledge, and constitute an initial customer base for their businesses. Beyond human capital, the functional, economic and aesthetic attributes of the built environment also constitute motivating factors for entrepreneurs to set up their business in the neighbourhood. In fact, most of the interviewed entrepreneurs were attracted by the proximity and good connection of Akadimia Platonos to the city centre and other neighbourhoods of Athens, the availability of public infrastructure, the affordability of rental prices, but also the aesthetic quality of the existing building stock, such as the particular architecture of former industrial buildings. Such functional, economic and aesthetic attributes of the neighbourhood create favourable conditions for the establishment and development of entrepreneurship or, in other words, for the creation of a vibrant local market that is attractive both to the professionals and the customers.

In comparison with the clear importance of the human capital and of the functional, economic and aesthetic attributes of the neighbourhood, diversity only partly constitutes a motivating factor for entrepreneurs to set up their business in Akadimia Platonos. In fact, when entrepreneurs draw their initial business plan, diversity in the neighbourhood is perceived in multiple and ambiguous ways. This depends on different aspects of diversity, namely diversity in professional activities, social diversity, ethnic diversity and diversity in cultures and lifestyles.

To begin with diversity in professional activities, it usually affects the locational choice of entrepreneurs in a positive way. The high concentration of professionals who engage in many different entrepreneurial activities creates a vibrant and dynamic local market, increases the demand for (new) products and services and favours cooperation between entrepreneurs. This positive perception of diversity in professional activities is clearly reflected in two interviewees’ statements:

“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.”
(male, 26, Greek, coffee shop-snack bar)

“Diversity in activities was a motivating factor for me... the fact that this neighbourhood is ‘dirty’. [...] I mean it is not a posh or mono-functional neighbourhood. One can find every...
rything here: industries, merchants, wholesalers, logistics, jobs related to mine”. (male, 30, Greek, engineering office)

However, there are certain limits to the positive perception of diversity stressed above. When diversity in professional activities is absolutely unregulated, it is considered to be a negative condition for the development of entrepreneurship. Especially entrepreneurs engaged in commerce, everyday and specialised services have a negative view on the unlimited mix of professional activities in the neighbourhood. They would rather have some kind of small-scale zoning or clustering of similar and complementary businesses. The owner of an engineering office explicitly describes this ambiguous impact of diversity in professional activities:

“I would prefer it if there was a kind of order. If there was a specific 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”. (male, 34, Greek, engineering office)

While diversity in professional activities constitutes an attractive condition for the establishment of businesses in the study area - at least to a certain extent -, the social diversity of the neighbourhood does not seem to be a motivating factor for the locational choices of entrepreneurs. Although Akadimia Platonos is a socially diverse neighbourhood and local businesses serve a large and diverse clientele, the entrepreneurs mostly target what they call “high-quality” customers, namely individuals and households of medium or high income. In this sense, they are rather indifferent to the coexistence of individuals and households of diverse socio-economic backgrounds in the neighbourhood. Instead, they would rather set up their business in a socially homogeneous neighbourhood - obviously a wealthier one - which would increase local demand and, thus, turnover and profits for their businesses. However, Akadimia Platonos is no such case. In fact, during the last decades, businesses in the neighbourhood have been facing a decreasing local demand, losing a significant part of the commonly desired “high quality” clientele. As already mentioned, this is due to certain demographic and economic changes which took place recently. First of all, in the late 1990s and early 2000s, a significant part of the local middle and upper classes left the neighbourhood, seeking better living conditions in the suburbs. And, secondly, after the outburst of the economic crisis back in 2007,
austerity measures further reduced the incomes of most of the households remaining in the neighbourhood.

However, a reverse demographic and economic change has been taking place in the neighbourhood during the last few years and is being positively perceived by local entrepreneurs. This change concerns the increasing diversification in the age profile of the neighbourhood population, with more and more young people settling in Akadimia Platonos. Especially for entrepreneurs engaged in leisure activities such as coffee shops, bars and restaurants or cultural and sports centres, the arrival of newcomers of young age in the neighbourhood is clearly a motivating factor to adapt their professional activities or establish new ones in order to meet the needs of this active population group that consumes more than others. This is exactly the case for the owner of a coffee shop and restaurant:

“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 [...] To this end, 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 also worked much for the advertisement of the business, we now have our own website and page on Facebook”. (female, 38, Greek, coffee shop-restaurant)

Compared with diversity in professional activities and diversity in the social characteristics of residents in Akadimia Platonos, ethnic diversity is the one most ambiguously perceived in the neighbourhood. The presence of immigrants of various nationalities is viewed both ways - positively and negatively - depending mostly, but not exclusively, on the interviewees’ ethnic origin. Migrant entrepreneurs, for instance, rely significantly on migrant population to establish their business in the neighbourhood and assure their clientele there. However, they mostly rely on the presence of co-ethnics and not necessarily on the presence of immigrants of all different ethnic origins. In this sense, migrant entrepreneurs are rather indifferent to ethnic diversity. A Pakistani owner of a grocery store clearly described what immigrants he relied and keeps relying on for the establishment and operation of his business:
“I opened this grocery store in Akadimia Platonos because I have been living here for the past 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”. (male, 31, Pakistani, grocery store)

As for Greek entrepreneurs, their views on ethnic diversity are divided. Some distance themselves from stereotypes (re)produced by the media and linking the presence of immigrants in the neighbourhood to insecurity and degradation. In this case, ethnic diversity is seen neither as a positive nor as a negative condition for the establishment and operation of businesses. However, for another part of Greek entrepreneurs, immigrants are considered “bad customers” and, thus, collectively responsible for the economic decline of local businesses. In this sense, they would rather initiate their business in an ethnically homogeneous neighbourhood - obviously inhabited only by Greeks -. The (Greek) owner of a grocery store gives a commonly shared opinion on migrant customers:

“Immigrants do not support us. Can a Pakistani support my business? They live all together in fifty square metres, twenty persons in less than fifty square metres… they buy only the basics and if some of them opens a business they all do their shopping there”. (female, 39, Greek, grocery store)

Directly related to the social and ethnic diversity in the neighbourhood, a last aspect of urban diversity discussed with local entrepreneurs is diversity in cultures and lifestyles. According to the interviewees, different cultures and lifestyles raise important difficulties in the way that entrepreneurs are expected to plan the products and services of their business so as to meet all different consumer habits, needs and tastes. This is true both for Greek and migrant entrepreneurs, active in various business sectors, such as a Greek civil engineer and an Albanian owner of a hair salon and jewellery 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”. (male, 34, Greek, engineering office)
“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”. (male, 45, Albanian, hair salon-jewellery shop)

3.2 Diversity as a key factor for the economic performance of businesses

Beyond the role that urban diversity plays in the establishment and development of entrepreneurship in Akadimia Platonos, its effects on the economic performance of local businesses are also of particular importance, especially in the context of a long and continuing economic crisis. With closed businesses in the study area reaching almost 50%, it is crucial to find out if diversity is a key factor that favours or hinders entrepreneurial success.

According to the interviewed entrepreneurs, the decades preceding the crisis - namely the 1980s, 1990s and early 2000s - marked a period of remarkable upward economic performance. The most recent and last period of high economic prosperity was the period around the 2004 Olympic Games, especially for businesses related to the construction sector. Through the upward economic performance of their business, entrepreneurs managed to improve their social status and the living standards of their family. For instance, they bore the cost of their children’s studies, bought a car, moved to a bigger apartment or purchased their own. This social and residential upgrade was experienced not only by Greek, but also by migrant entrepreneurs active in various business sectors.

However, since the crisis broke out back in 2007, the economic performance of most local businesses has dramatically decreased. 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 turnover and profits of businesses, primarily those active in commercial activities and everyday services, but also in the construction sector, culture, education, sports and health. Along with the decline of turnover and profits, which varies from 40% to 90%, there have also been significant increases in the fixed costs of businesses, such as taxes, insurance contributions and operating expenses.
All interviewed entrepreneurs agree that the economic crisis is the main reason for the drastic decrease in the turnover and profits of their businesses. They also agree that the economic performance of businesses is deeply affected by the overall economic developments in Greece, as well as the general political instability, which cause a widespread sense of insecurity to the consuming public.

Nevertheless, when it comes to the role of urban diversity in the economic performance of businesses, opinions expressed by the interviewed entrepreneurs are divided, and perceptions differ depending on the aspect of diversity being discussed.

With regards to social diversity in the neighbourhood, it is clear that most of the local businesses benefit from the socially diverse clientele, since they manage to gain customers of all different incomes, customers of low to higher educational level, children, young and elderly people, women and men, both able-bodied and persons with disabilities. This is true for various types of local businesses, from those active in commerce, everyday and more specialised services to those involved in creative and innovative activities:

“"Akadimia Platonos has always been home to a rich social mosaic: mainly lower and middle class households but also upper classes. Until recently, the latter constituted about 20% of my clientele. Every now and then, there would also be some rich businessmen." (male, 52, Greek, clocks and jewellery shop)

“"About 80% of our customers are residents in the neighbourhood. [...] Mostly middle class, but also poor people who pay for a dance class for their children despite their economic difficulties. [...] As for the ages of our customers, there are children aged 3 to adults aged more than 60". (male, 42, Greek, private dance school)

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

Only a few local businesses have a narrow and relatively homogeneous customer base, although settled in a socially diverse neighbourhood. Paradoxically, this is the case for certain cultural businesses (such as theatres) which are generally expected to attract a wide and diverse clientele. Never-
theless, they actually attract customers of a very specific social and ethnic profile, as explained by the owner of a multi-purpose art space:

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

With the exception of certain cultural spaces, social diversity in Akadimia Platonos has an admittedly positive impact on the economic performance of local businesses. On the contrary, ethnic diversity in the neighbourhood is ambiguously perceived by the interviewed entrepreneurs. So, the presence of immigrants, along with the current economic crisis, is often perceived as one of the main factors for the economic decline of businesses, as well as for the overall degradation of the neighbourhood. In fact, for a significant part of the interviewed entrepreneurs, immigrants are not considered “good customers”, on the grounds that they often face economic difficulties, do their utmost to save money instead of consuming and prefer shopping at businesses owned by their co-ethnics. Only Albanians occasionally escape this bad reputation, considered the “best foreign customers”, since they constitute the largest, most integrated and well-paid migrant population in the country. However, for another part of the interviewed entrepreneurs, especially in the midst of the crisis, immigrants are considered “reliable customers”, on the grounds that they are used to saving money and are experienced in handling situations of economic instability. Opinions are divided, usually depending on the ethnic background of the interviewed entrepreneurs, as reflected in the statements of a Greek owner of a grocery store and an Albanian tailor:

“Apart from 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. [...] Moreover, they support their compatriots’ businesses. [...] They only come to shop at my store to get rid of counterfeit banknotes”. (female, 39, Greek, grocery store)
“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 yet realised their economic situation and have difficulties in handling the crisis. On the contrary, immigrants are used to economic planning, planning a simple living.” (female, 47, Albanian, tailor)

While some Greek entrepreneurs consider immigrants to “be the problem”, migrant entrepreneurs actually “face problems” beyond the current economic crisis that deeply affected the economic performance of businesses regardless of their owners’ ethnic origin. For migrant entrepreneurs, the decline in turnover and profits is also due to racist attacks provoked by rioting members of the far-right Golden Dawn party. Incidents of racist violence, such as destroying or burning down migrant businesses, spread fear not only to migrant entrepreneurs, but also to customers, with negative results like those described by a Pakistani owner of a grocery store:

“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 a lot of my compatriots went back to Pakistan out of fear”. (male, 31, Pakistani, grocery store)

However, racist hate and the rejection of immigrants constitute only one side of the coin. Along with negative views on the neighbourhood’s ethnic diversity, positive feelings are also expressed by Greek entrepreneurs who are active in various types of businesses. For instance, a (Greek) owner of a local sport association talks about immigrant integration and peaceful inter-ethnic coexistence not as a theoretical concept, but as an everyday reality:

“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 have all been 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”. (male, 42, Greek, sport association)

Despite existing negative views on the presence of immigrants, it seems that ethnic diversity in the neighbourhood does not necessarily raise difficulties in the development of friendly interethnic relationships; nor is it a problem for the operation and economic performance of businesses. In fact, most of the interviewees claimed that friendly relationships among entrepreneurs, regardless of their ethnic origin, create a favourable business milieu of professional solidarity and mutual support. Greek and migrant entrepreneurs recommend one another to their customers, buy products and order supplies from each other’s business and, thus, increase the economic performance of their businesses. In this sense, the presence of migrant entrepreneurs in the neighbourhood emerges as a key factor for a friendly, lively and dynamic local market, and not as a threat to the economic performance of local (Greek) businesses. This positive perception of ethnic diversity is clearly reflected in the statement of a Greek owner of a clothing store who competes with Chinese entrepreneurs active in the same business sector:

“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 there are customers walking around. [...] Near our business, there is another store selling Chinese clothes, as well as many similar businesses, Greek and migrant. They all have a positive impact on our clientele. Chinese businesses have lower prices than ours. But their customers also come to us”. (male, 60, Greek, men’s XL clothing store)

Conclusions

Discussing with entrepreneurs in the Athens neighbourhood of Akadimia Platonos fulfilled the initial purpose of this paper of adding empirical evidence - at the micro level - regarding the relationship between urban diversity and entrepreneurship. In fact, discussing with entrepreneurs revealed multiple perceptions of urban diversity, firstly as motivation for establishing a business in a specific neighbourhood of the city and, secondly, as a key factor for the economic performance of businesses.
To draw a general conclusion stemming from the interviews, it seems that there is no common perception of urban diversity and its role in the establishment, development and competitiveness of entrepreneurship. Instead, various perceptions of urban diversity emerge, usually contrasting and ambiguous. Perceptions differ depending on the individual profile of interviewees, on the type of business they engage in and, mostly, on the aspect of diversity being discussed.

So, according to the interviewed entrepreneurs, diversity is only partially a motivating factor for establishing a business in the specific neighbourhood. Diversity in professional activities, for instance, is considered to create an attractive local market and, thus, is clearly viewed as a key driver for the establishment of entrepreneurial activities. However, this does not also extend to the social diversity of the neighbourhood. Entrepreneurs mostly target “high-quality” clientele, being rather indifferent towards households of diverse socio-economic background. The same goes for ethnic diversity. A considerable number of Greek entrepreneurs consider immigrants to be “bad customers”, and would rather initiate their business in a less ethnically diverse neighbourhood of the city - obviously inhabited mostly by Greeks -. As for migrant entrepreneurs, they significantly rely on the presence of co-ethnics to initiate their business in the neighbourhood, but not necessarily on the presence of immigrants of different ethnic origins. Finally, diversity in cultures and lifestyles may not be a deterrent factor for the locational choices of entrepreneurs, but it admittedly raises difficulties to entrepreneurs when planning the products and services of their businesses so as to meet all different customer needs and tastes.

Ambiguities similar to those presented above are also observed in the perception of urban diversity as a key factor for the economic performance of businesses. Again, diversity in professional activities is clearly perceived as beneficial for profits, since it creates a vibrant and dynamic local market. But social and ethnic diversity are not always perceived as such. The majority of businesses actually benefit from the socially and ethnically diverse local clientele, gaining customers of all different ethnic origins, incomes, ages, educational levels etc. However, there are businesses that target a narrower, socially and ethnically homogeneous clientele, excluding immigrants, elderly people, persons of low income and low educational level. Especially immigrants are often not welcome in the neighbourhood, neither as customers nor as entrepreneurs, considered to be collectively responsible for the economic decline in turnover and profits of local businesses.

Considering all different views expressed by local entrepreneurs in a central neighbourhood of Athens, it is clear that urban diversity may have both positive and negative effects on the establishment, development and
competitiveness of entrepreneurship; it may favour entrepreneurial engagement and spur economic benefits, but may also raise serious difficulties and stimulate conflicts. This major remark on the multiple effects of urban diversity on entrepreneurship is in line with research findings that have already emerged in the literature regarding several other cities around the world.

Eventually, urban diversity emerges as an ambivalent factor (positive, negative or both) for the development of entrepreneurship, constituting part of the “entrepreneurship capital” of cities. Especially in the case of Athens, which is deeply affected by a long and ongoing economic crisis, it is crucial to further explore the way in which urban diversity could have a positive impact on entrepreneurship. Moreover, as already suggested by many scholars, the role of urban diversity should be opened up to public debate and put on the political agenda. Especially against the background of an increasingly diverse urban environment, addressing urban diversity should be set as an explicit priority and strategic target for urban policies, instead of being only a rhetoric scheme. However, it is important that urban diversity be addressed as part of the “dynamic complexity” of cities - a term coined by Jane Jacobs. Thus, the aim of addressing urban diversity would not be to find a universal way of dealing with it, a goal which is, anyway, unattainable; but to better understand and adequately address all its multiple, contrasting and ambiguous effects on entrepreneurship and everyday life, such as those revealed in this paper.

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