

# Executive Summary

## The determinants of regional start-up activities - a feasibility study

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## **Executive Summary**

Regional entrepreneurial activity differs significantly across Germany. The differences are stable over long periods of time. A multi-year project aims to find the causes for this phenomenon. The conceptual and methodological foundation will be worked out in the first part of this project in order to affirm whether the key questions of research can be answered in the medium-term.

### **The Entrepreneurial Ecosystem approach is an appropriate foundation**

The Entrepreneurial Ecosystem approach is well-equipped to explain regional entrepreneurial activity and its determining factors. Most models of entrepreneurial ecosystems considers specific determining factors isolated rather than in their interdependence. Therefore we developed a new concept of regional entrepreneurial ecosystems based on existing literature to consider not just all relevant influencing factors but also the diverse interdependencies of different categories of influencing factors over the course of time. Our model considers three levels: First, the level of institutional framework conditions; second, the level of resources as determining factor of the third level, the regional entrepreneurial activity. This last level influences the levels of institutional framework conditions and resources respectively with a short time lag.

### **Data basis at hand is expectedly fragmented**

There is plenty of data available for entrepreneurial activity as well as for institutional framework conditions and resources. However, their availability is limited regarding temporal and/or geographical aspects. As of now entrepreneurial activity and most of the influencing factors can only be partially mapped on district level and for the period of 2005 to 2017 at best. Data for relevant elements of the institutional framework and aspects of material and social resources is presently lacking. Despite the fragmented availability of data it is promising to start a database to collect data of the relevant factors of entrepreneurial ecosystems of the individual regions over the years. The lack of data could be overcome incrementally over time through our own surveys.

### **Data at hand promise valuable insights**

The limited data at hand offers a good foundation for the description of medium-term developments of entrepreneurial activity given the different indicators in a region as well as first analyses of the influence of specific elements of the regional entrepreneurial ecosystem on the regional entrepreneurial activity.

This way it is possible to model entrepreneurial activity in the regions over the course of time and to identify differences. Concurrently, first determining factors of regional entrepreneurial activity can be established and analysed in their interdependence. Based on these results the typecasting of different kinds of entrepreneurial ecosystems should be possible. That would be a prerequisite for choosing representative model regions to limit more elaborate processes of data surveys on preliminarily.

### **Towards a regional IfM-entrepreneurial activity barometer**

The research project will not only generate scientific insights. Our medium-term goal is to develop an entrepreneurial activity barometer to monitor the current state and temporal development of entrepreneurial activity and its influencing factors. Through it, the regional differences of entrepreneurial activity would be explainable and economic policy could observe and judge the development of regional entrepreneurial ecosystems holistically and in the long-term. The barometer would therefore be an important instrument for policy decisions to find suitable measures to support entrepreneurial activity on the regional level.