



*Governing Urban Diversity:
Creating Social Cohesion, Social Mobility and Economic Performance in Today's Hyper-diversified Cities*

Report 21

Fieldwork entrepreneurs, Paris (France)

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1. Introduction

Achieving high levels of economic growth and increasing the well-being of citizens (Fainstein, 2005; Bodaar and Rath, 2005), which are the main objectives of urban policies, are closely connected to their levels of entrepreneurship and ability to create new enterprises. In the global era, cities compete for enterprises with strong economic performance and talented entrepreneurs, besides creating conditions necessary for new start-ups. The literature emphasises that cities open to diversity are able to attract a wider range of entrepreneurs than those that are relatively closed (Fainstein, 2005; Florida, 2002; Tasan-Kok and Vranken, 2008; Eraydin et al., 2010). Empirical research on how economic competitiveness is connected to urban diversity, however, is limited and usually provides evidence only at macro levels. One of the aims of this project is to close this gap with empirical evidence collected at the neighbourhood level from 14 diverse European cities.

In this project report, we focus on the economic performance of enterprises in deprived, dynamic, and diverse neighbourhoods in selected cities and the conditions that support and sustain their competitiveness and longer term development. We aim to demonstrate the relationships between urban diversity and the success of entrepreneurs. More specifically, we want to explain and document the reasons why certain neighbourhoods provide conditions for individuals or groups that strengthen their creative forces and enhance their economic performance.

First, the report examines the entrepreneurs who start their businesses in diversified neighbourhoods and the factors that define their economic performance. It might be expected that factors like the ethnic background of the entrepreneur, his/her age, family background, gender, education and previous experience are important variables in determining the success of their enterprises. These factors mediate the influence of diversity on the neighbourhood and city level. Second, it explores the main motivations of entrepreneurs and assess whether neighbourhood diversity is important for starting their business, where they are located now. Third, it evaluates the market conditions that are important for the economic performance of entrepreneurs. Fourth, the report evaluates the role of policies and measures at different levels and the institutionalisation of such policies.

The evidence on these issues can be reached with concrete research questions below, which will constitute the focus in the chapters of this report:

1. What are the main characteristics of the entrepreneurs and their business? What are the evolutionary paths and the fields of activity? What are the physical conditions and the ownership pattern of their offices/production sites/shops? (Chapter 2)
2. What were the main motivations of entrepreneurs for establishing a business? What is the importance of neighbourhood diversity for starting their business where it is located now? Why did he/she select this line of business and from whom the entrepreneur has received support in different forms in starting this enterprise? (Chapter 3)
3. What are the success and failure factors important for the economic performance of enterprises? What is the current level of performance and how did it change? To what extent does the diversity of the neighbourhood play a role in economic performance? What are the long-term plans of entrepreneurs? Do they have any plans to change size, market and business strategies in order to reach higher levels of competitiveness? (Chapter 4)
4. Which policies, measures and organisations contribute to the performance of enterprises? What are the contributions of membership to various initiatives on

the performance of enterprises? What do the entrepreneurs want from policy makers at different levels? (Chapter 5)

The report is based on an interview survey conducted between July and December 2015 with 40 entrepreneurs located in Parisian hyper-diverse neighbourhoods.

As the second airport platform in Europe, and with a network of high-speed railroad infrastructures connecting the city with other major European cities, Paris is located at the core of global and European exchanges. Its metropolitan region contributes to around one third of the French GDP. The first touristic place in the world (30 million in 2012), Paris is an active place for the creation of companies, mainly in the third-sector and in finance, science, technology, consulting, management and insurance. It is also a very dense commercial city (APUR, 2015). Four core and dynamic sector in the labour market are growing with a high potential of wealth and job creation in Paris: metropolitan and financial activities, digital economy, local economy (tourism, crafts and commercial activities), cultural and creative industries (fashion and design). The good accessibility of transportation (airports, commuter rail, underground, tram), the high-skilled workforce and the proximity of decision centres are the most attractive factors.

Due to the increase of rents prices, companies move increasingly from Paris to the suburban areas. From this perspective, the prices of the north-eastern Parisian districts (18th, 19th and 20th districts) remain relatively more affordable for companies than in the rest of the city. Located in the 18th (La Goutte d'Or, La Chapelle) and 19th districts (Flandre), the three adjacent neighbourhoods under study actually remain largely inhabited by low-income residents and migrants, due to both the presence of large social housing estates and a wide range of degraded private housing. According to the French national census, foreigners were twice more numerous in La Goutte d'Or (32.3%) than in Paris (14.9%) in 2008, and represented around one quarter of the inhabitants in La Chapelle (25%) and Flandre (23%). In all of these areas, more than three inhabitants out of ten are "immigrants", a census track category adding the Non-French citizens and the French citizens born abroad as Non-French (30.3% in La Chapelle, 32.8% in Flandre and 36.9% in Goutte d'Or).

Still in 2008, managers and professionals (*CS3 - Classes et professions intellectuelles supérieures*) were a significantly smaller share of the whole population aged 15 and more (10.4% in Flandre, 15.3% in La Chapelle and 17.6% in Goutte d'Or) than at the municipal level (27.1%). Meanwhile, blue-collar workers (*CS6 - Ouvriers*) were at least twice more numerous (from 10.9% in Flandre to 12.9% in La Goutte d'Or) than in the city of Paris (5.2%). However, there were more managers than blue-collar workers in La Chapelle (15.3% vs. 12.7%) and La Goutte d'Or (17.6% vs. 12.9%), and a similar share in Flandre (10.4% vs. 10.9%). The comparison with previous waves of the French national census highlights the ongoing (and unequally advanced) gentrification process within the case study areas, as the local share of blue-collar workers was significantly higher than the share of managers and professionals in 1999, and even more in 1990⁹⁶. Analysis conducted at the city scale highlight the ongoing gentrification of North-Eastern Parisian districts (Clerval, 2013), where the areas under study are located.

During the last two decades, the literature on entrepreneurship largely focused on the relations between entrepreneurship and ethnicity (see e.g. Aldrich and Waldinger, 1990; Ma Mung, 1996), and on the so-called "creative class" (Florida, 2002; Peck, 2005). In line with these studies, we decided to pay specific attention in the sample process to ethnic entrepreneurs, on the one hand, and to

⁹⁶ In all three neighbourhoods, the share of blue-collar workers among the total workforce (*population active*) was higher than the share of managers and professionals in 1999 (24.5% vs. 14.3% in La Goutte d'Or, 20.7% vs. 14% in La Chapelle and 19.3% vs. 13.3% in Flandre) and even more in 1990 (30.7% vs. 11% in La Goutte d'Or, 24.7% vs. 13% in La Chapelle and 22.5% vs. 12.3% in Flandre).

entrepreneurs contributing to the gentrification process (Zukin et al., 2009), on the other hand. We also deliberately interviewed entrepreneurs benefiting from institutional support, in order to grasp simultaneously the impact of diversity, social change and public action on economic performance.

More than eight out of ten interviews have been conducted with entrepreneurs belonging to one of these three categories: eleven interviews have been conducted with ethnic entrepreneurs (27,5%), ten with newcomers in the area representative of the local social upgrading (25%) and twelve with entrepreneurs benefiting from institutional support (30%). Seven interviews (17.5%) have been conducted with entrepreneurs belonging to none of these categories. The interviewees have been contacted through three main ways: direct contact in their workspace or by e-mail/phone, researchers' personal networks and snowballing (initiated several times in order to avoid social biases in the sample).

Entrepreneurs appeared in most cases happy to share their experience; as a matter of fact, they are less frequently asked to do so than inhabitants or activists. However, two methodological difficulties arose. First, entrepreneurs were frequently reluctant to discuss in detail their economic performance. Second, it has been challenging - and in some cases impossible - to convince ethnic entrepreneurs into spending time for interviews, all the more as the interviewers' status was not always clear to them (confusion with the administration or even the police).

2. The entrepreneurs and their businesses

This chapter aims to define the main characteristics of the entrepreneurs we met during the Parisian fieldwork for WP7, as well as the main characteristics of their businesses.

2.1. Characteristics of the entrepreneurs

The interviews have been conducted with 40 entrepreneurs, whose companies are located in the adjacent neighbourhoods of La Goutte d'Or (n=19), Flandre (n=15) and La Chapelle (n=6). Ten of them are female entrepreneurs. 19 of the interviewees are native French whereas 21 are entrepreneurs with different backgrounds: mostly North-Africa (10) and West-Africa (n=5), but also Asia (n=3), Central America (n=2) and Germany (n=1).

The youngest interviewee was 24 years old and the oldest 63. The age of 20 of the interviewees was comprised between 31 and 45, and between 46 and 60 for 11 of them. Only four entrepreneurs were younger than 30. Some of the entrepreneurs interviewed grew up in the area of study or are very well inserted in local social networks. On the other hand, some interviewees never had come to the area before starting their businesses recently.

Four main types of professional trajectories emerge from the interviews: family entrepreneurs, high-skilled young entrepreneurs, work-experienced entrepreneurs and new entrepreneurs in professional reorientation. This typology is mainly based on the period in their lifecycle when they became entrepreneurs and the way they created or run the business.

Family entrepreneurs

The levels of qualification of these entrepreneurs are relatively low, and their ability for running a business mostly draws on the skills and knowledge they inherited from their elders. They tend to run a company relatively soon in their trajectory, after inheriting their position from an elder family

member (generally getting retired or facing health problems). It is the case for R36 (40, Male, Fairground material seller, Native French), who succeeded his uncle as the owner of a fairground material business created by his grand-father. He spent some years working along with his uncle before replacing him, as it has been the case for R20 (48, Male, Indian restaurant, Indian), who came from Punjab to work with his uncle in an Indian restaurant and replaced him after his death.

One family member can also invest money and ask a relative to take care of the business. Born in India, R32 (Male, 24) is the manager of a women's clothing store owned by his father, and employs his own grand-father. Another way families shape entrepreneurship trajectories is when family owned business play a training role for future entrepreneurs. R29 highlighted how he was "*raised in business*": after working for one of his cousins, he created a furniture selling company and still purchases a part of the products he sells to another cousin.

We do business with relatives. My employees belong to the family. (...) In my family we all are in business. R29, Male, 27, North-African descent

High-skilled young entrepreneurs

A second group is composed of entrepreneurs who created a business in their twenties or early thirties, in line with their higher education curriculum. They are high-skilled, innovative in their business and tend to face economic hardships during their first years of activity. At the first stage of their professional career, they share as a group several features with the young and highly-educated newcomers we identified during the fieldwork on inhabitants (Lelévrier et al., 2015), reflecting the ongoing social change of the area.

An archetypal case is R28 (Male, 26, Video-projection software solutions, Native French), who created his company during his engineering studies, along with two of his friends "*truly passionate for the audio-visual sector*". They developed an innovative software for outdoor video projection and benefited from the material (office, financial support) and administrative help of a companies' incubator within their engineering school. They presented their work in several innovation competitions. Now they are hosted by another incubator in the Centquatre, an innovative public-funded cultural centre located in the case study area (see Escafré-Dublet and Lelévrier, 2014).

Another pattern is to create a company after working for a few years as salary-paid in the same sector, in order to gain practical knowledge, money and social capital. This is the reason why R04 (Female, 27, Eyewear company, West-African descent) preferred to spend some years working for an optician before she created her own business. As for R28, her project draws both on her educational training (she holds an optician degree) and a personal interest (for African textiles).

I had this idea because I am keen on making objects with African textiles, and as I am an optician, I wanted to use these textiles in the manufacturing of new glasses. R04, Female, 27, Eyewear company, West-African descent

The architecture agency created by R34 (Male, 43, German) when he was aged 34 is another example of an innovative business drawing on both a higher-education background and a personal interest for a specific topic: this agency was among the first to certify "passive houses" in France, that is to say energy-saving buildings.

Work-experienced entrepreneurs

A third group includes interviewees whose experience mostly draws on their previous professional

trajectory, with no clear relation to their educational background. In other words, their academic qualification level played a lesser role in the starting of their business than their work experience.

Some of these work-experienced entrepreneurs ran other businesses before creating their current business, as exemplified by R06 (Male, 54, Wine shop and restaurant, Native French), who has been a company owner for more than thirty years. After opening a wine shop in 1992 in a more central Parisian neighbourhood, he decided to create an online wine selling company. Increased competition led him to quit after a few years, and use the money he earned to open a wine bar (2000) and then a small restaurant (2002) in a trendy Parisian covered market. He sold them in 2008 in order to develop the importation of natural wines in Hong Kong, and came back to Paris in 2011 to develop a new concept: selling wine in bulk to urban customers. He never benefited from any specific training but draws on his personal experience to claim that “*(his) job is the wine*”.

Others entrepreneurs are running their first business relying on their previous professional experiences, such as R05 (Male, 36, Native French) who occupied different positions in the wine sector (e.g. importer, cellar master) before opening a pizzeria/wine-bar in 2014. In another domain, R08 (Female, 45, Independent designer, Native French) and her husband created a design company in line with their previous jobs (she was a graphic artist and he was a scenographer).

Some work-experienced entrepreneurs run a business by opportunity, much more than in relation with a clear project of becoming an entrepreneur. In some cases, their access to entrepreneurship was actually unforeseen beforehand: as an example, R40 (Male, 52, Travel agency, North-African descent) was offered by the owner of the travel agency he worked for to become his associate and buy together another travel agency.

New entrepreneurs in professional reorientation

In contrast to the entrepreneurs whose business is strongly related with their education or professional trajectory, several interviewees created their business as a professional reorientation. They generally are in the middle of their life course and decided to radically change their careers by switching from one professional world to another. R11 (44, Male, Native French), who has worked as a music artist manager for 15 years and now owns a wine-bar/restaurant, and R18 (Male, 43, Native French), who has been working in the marketing sector for a decade before deciding to create a craft brewery, exemplify well those redeployment strategies.

Such new starts can be linked with a dissatisfaction with the previous professional position, as in the case of R31 (an ex-nursing auxiliary) and her husband (ex-laboratory technician), who opened a shoe store in order to escape their “*routine*”. The career change may also be provoked by a lay-off, as in the case of a graphic designer who had been working ten years for an advertisement company and decided to open a flower shop after being fired.

In other cases, the reconversion paths are related with the successful development of an economic activity that was only considered as secondary by the interviewees, who were earning a living by other means. Their trajectories evolved along with the acquisition of new skills and contacts, moving progressively away from their initial professional world. Born in Central America and holding an Anthropology degree he obtained in the USA, R01 taught English classes in those two countries and then in France. Accustomed to frequently buying custom-made furniture from Nicaraguan craftsmen, he decided to commercialize original products and developed his company on the basis of his personal networks in his home country.

My trajectory is quite unintelligible, do not even try to.... I am an anthropologist, and I have been teaching English in different institutions. I have no connections with design (...) We had a lot of contacts among craftsmen in Nicaragua, so we just thought "let's try to see if those products can seduce a broader public". Honestly we could only do it because we had a lot of contacts and could learn while working with them. R01, Male, 47, Independent designer, Nicaraguan

These trajectories mix professional reorientation with lifestyle choices. Personal hobbies and networks play a role in the acquisition of skills not-related with a professional experience, as highlighted by the case of E17, who has been working for decades as a lighting engineer for cultural events but opened a wine shop at the age of 53. He never benefited from any certified training but "travelled a lot, drank a lot and ate a lot" in his life, notably with friends of his who own restaurants or work as sommeliers.

Our case study thus highlights at the level of neighbourhoods and the city of Paris that the diversity of entrepreneurs is partly shaped by the diversity of their familial, educational and professional trajectories.

2.2. Characteristics of the businesses, their evolutionary paths and core fields of activity

Beyond the contrasts among the trajectories of the entrepreneurs, their businesses are differentiated in terms of the products and services they offer, and adapt to changing conditions. The employment opportunities they provide vary accordingly to their characteristics.

A large diversity of products and services

As highlighted and appreciated by their inhabitants (Lelévrier et al., 2015), the case study areas have a diversified commercial offer. Interviews were thus conducted with the owners of different kind of *retail stores*, which sell different kind of goods: clothes, shoes, furniture, phones, medicines, food, wine and spirits, books. Some of them explicitly mostly target an ethnic clientele in relation with the products they sell, such as West-African food or Indian women clothes. Others offer second-hand goods (phones, books or clothes) or repair products (phones).

Other companies provide *services* to companies and individual customers, such as a travel agency specialized in Africa and Middle-East, an office equipment dealer and repair shop, an architecture agency and a video-projection software solutions start-up. The high-skilled entrepreneurs we interviewed also include the co-director of a broadcasting company producing documentary and fiction programs, mostly for French public television channels.

The *restaurants* and *cafes* can be distinguished into three main groups: established restaurants offering ethnic food, traditional French restaurants and more recent places targeting new highly-educated inhabitants' tastes and lifestyles (Carfagna et al., 2014; Ocejó, 2015). Turned to organic and home-made products and promoting new ways of consuming in the neighbourhood (e.g. biodynamic fruits and vegetables, natural and biological wines, high-quality locally roasted coffee) these new businesses are part of the "pioneers" of the ongoing "commercial gentrification" (Van Criekingen and Fleury, 2006; Chabrol et al., 2014) of certain sectors of the area, as well as the *designers* who produce and sell different kind of goods (such as jewels, toys, home furniture or fashion accessories).

Settled in the area in 2012, the company created by R03 (Male, 37, Coffee roasting, Native French) in 2010 symbolizes the diversity of products and services in the area, but also the diversity of products and services inside one business. In fact, it combines a roasting factory, a coffeeshop open from Monday to Sunday, training courses for professionals and private individuals and online selling

of coffee and coffee machines. This company also spends time and money in developing new coffee flavours, in order to offer new products to their professional customers, located outside the case study area.

Businesses adapting to changing conditions

It is necessary to highlight how entrepreneurs deal with changing conditions at different scales. On the one hand, they adapt to technological changes, related for instance with the development of online business. As a matter of fact, Internet plays a disintermediating role which can be a threat for retail shops. This is the reason for which R27 (Male, 54, Bookshop, Native French) travels around Paris on the mornings to directly get his books from the editors, in order to save time and offer his customers more reactivity than if he bought the books through traditional distribution networks. He highlights that this is his way to “*fight against the loss of customers*” provoked by giant online booksellers such as Amazon. However, the disintermediation offered by Internet can also be an opportunity for businesses, which can directly sell their products to individual customers, such as in the case of this broadcasting company:

The company evolved since its starting, partly in relation with technological changes, as our relationship with the audience is not as intermediated as it was before by television channels. We still produce a lot for television channels, but a significant share of our contents are linked with online selling, in direct relation with customers. R09, Male, 40, Native French

On the other hand, businesses diversify their offer in relation with local changes, such as the appearance or the disappearance of other companies in the area. An increased competition can lead to enlarge the offer of products and services, as well as a new demand for products formerly offered by local businesses which stopped their activity. As an example, the two booksellers interviewed decided to sell also stationery items after the closing of neighbouring stationery stores.

Employment opportunities

More than two-thirds of the businesses investigated are small structures with a limited number of employees (between 0 and 4). In some cases, this low number of employees is related with a specific organization of work, as for the broadcasting company which only hires people for projects and never for steady positions. In other cases, the companies cannot afford to grow and hire people other than the founders.

At some point we hired a salesman, but it is true that... It's difficult for a small structure. We never passed the step, so to say, to attract investors, to be able to pay someone for a long time beyond me and my husband. R08, Female, 45, Independent designer, Native French

Coffee shops and restaurants are businesses with relatively higher numbers of employees (around twelve people in four different cases), who mostly occupy unskilled positions. Small family businesses often hire family relatives, be it full-time or part-time. Meanwhile, highly-skilled activities are attractive internship places for students or young professionals.

R38 is an original case in terms of recruitment policy, as the store she manages never selects among the applicants on the basis of their previous professional experiences. Aiming at the social integration of its employees, this associative shop provides six month contracts that can be renovated three times.

Something very peculiar to our way of working is the fact that we never select the people we hire. We neither ask for the origin nor for the previous jobs. R38, Female, 50, Second-hand clothes store, North-African descent

Some interviewees emphasized their desire to employ neighbourhood inhabitants in order to contribute to the local economic life, whereas a majority do not really take into account this dimension. On the contrary, the manager of a sportswear company explained the reasons why he prefers not to hire people living in the area:

None of my employees live in the neighbourhood. It is a personal choice, I don't like to hire local inhabitants, because you never know what can happen if things don't go well. (...) If there is a problem they can come back with friends and make a mess, but even if things go well, their friends can visit them while they are working, people hardly make a difference between the workplace and other places. So my choice is to avoid all those problems. R19, Male, 42, West African descent

2.3. The location and site/s of the enterprise

Three main occupation statuses of the business premises emerge from the interviews. First, companies can be the owners of their physical workspace. Second, entrepreneurs can rent their space from a private owner. Third, entrepreneurs can rent their businesses premises to social housing companies, who generally offer moderate rents and easier conditions for getting a lease, especially regarding the payment guarantees.

It is important to highlight how financial investment is shaped by the occupational status of the business premises. As an example, the entrepreneurs who rent (be it to a private owner or to a social landlord) are reluctant to invest too much in refurbishing works when the length of the lease is short. Consequently, some of them prefer paying a higher rent and get a longer lease in order to secure their financial investment.

We painted everything but did not do so many changes, because I only have a three-years lease, which I know won't be renovated. So we tried to limit our financial investment, because anyway we will have to leave. (...) Recently our draught beer machine broke and we should spend 2000 euros in order to repair it. The owner doesn't want to pay so I won't do it, because when I'll leave this machine will stay here. R11, Male, 44, Wine-bar and restaurant, Native French

As a matter of fact, a significant number of entrepreneurs insisted on the substantial amount of time (up to six months) and money they spent in refurbishing their business premises. As for the case of the first middle-class inhabitants settling in a traditional working-class neighbourhood (Bidou and Poltorak, 2008), these refurbishment works actively contribute to the morphological change and social upgrading of the area.

This place was a real slum when we bought it. We almost had to destroy everything and rebuilt it. (...) It had been empty for two years, and the façade had not been repainted for decades and really was in a bad shape. (...) Not a lot of people encouraged us to do it but some friends of us are architects and provided us with very useful advice. R25, Female, 33, Co-working space, Costa Rican

Innovative craftsmen appreciate the versatility of their business premises, which allows them to combine diverse uses. As a matter of fact, the association of a production space and a showroom/retail space appears to be profitable in terms of income (individual customers are a supplementary source of income), but also in terms of feedback they get for free and can use to develop and improve the production.

We produce and sell in the same place. (...) It is a mixed place, with different kind of things. And this is very interesting, because when I am working, if someone comes in, I make him discover the shop. If this person wants to buy something, I play the role of the saleswoman. Basically, this is at least paying the rent, and in the best case we make some benefit. (...) It is also great to have a direct feedback, which is different from the feedback we get through our own dealers. They do not always know why a product works well or not. Whereas here I can understand better the reasons why clients like or dislike a product. R08, Female, 44, Independent designer, Native French

2.4. Conclusions

The conditions in which the interviewees became entrepreneurs suggest four types of entrepreneurship trajectories in the case study area. *Family and ethnic entrepreneurs* inherit at a relatively early stage of their trajectory an existing company and/or knowledge and financial support from the elder generation, whereas *high-skilled young entrepreneurs* mostly develop their activity on the basis of their academic qualification. In the middle of their life-course, *work-experienced entrepreneurs* draw on their previous professional positions to launch their businesses, when *new entrepreneurs in professional reorientation* mobilise their personal hobbies and networks.

The businesses the interviewees owned are mostly small structures with a limited number of employees. They offer a large amount of products and services to other companies and individual customers. Several businesses fruitfully associate retail and small manufacturing: R03's company (Male, 37, Coffee roasting, Native French) embodies this trend by combining in its offer online sales, retail sales, production and training for customers. Diversity is thus not only in the types of products but also in the innovative combination of the activities.

Some businesses explicitly target a local ethnic clientele, whereas others explicitly target the taste and lifestyle of middle-class "native French" newcomers in the area. Along with the refurbishment works, they often imply the growing visibility of products (design stores, craft beer) and consumption practices (trendy coffee shops and restaurants) formerly absent in the neighborhood, contributing thus to its transformation. As highlighted by previous research (Van Crielingen and Fleury, 2006; Chabrol et al., 2014), "commercial gentrification" is not only a consequence of changes in the composition of the local population, but is an active part of the social upgrading processes.

3. Motivations to start a business and the role of urban diversity

3.1. Introduction

It is well-known that entrepreneurship can be a good option for migrants to participate in the economy when facing various obstacles on the labour market (see e.g. Kloosterman and Van der Leun, 1999; Pécoud, 2012). On the other hand, neighbourhoods have to be considered in terms of "opportunity structure" (Kloosterman and Rath, 2001): local markets can indeed be appealing for different kind of entrepreneurs, among them ethnic entrepreneurs (Aldrich and Waldinger, 1990). Among other factors, this chapter aims to explore the role played by the diversity of the neighbourhood as a motivation to start a business.

3.2. Motivations for establishing a business

Four different sets of motivating factors to establish a business emerge from the interviews. First, entrepreneurs can aim to fill a gap in the market. Second, they can be driven by an aspiration to professional autonomy and personal fulfilment. Third, entrepreneurship can be an opportunity for professional reconversion or overcoming discrimination. Last but not least, establishing a business can be related to an interest for different forms of political commitment.

Filling a gap in the market

Markets and profit opportunities are clearly one of the main drivers for establishing a business. The owner of a West-African retail food shop highlights that he launched his business after identifying the lack of certain very popular fishes in Western Africa (such as the grouper or the sea bream) among the African commercial area of Château-Rouge. Being one of the first entrepreneurs to import frozen fish from Senegal helped him to develop his customer base and then diversify his offer.

Some entrepreneurs insist on the role played by their own living or travelling abroad experiences in developing their ability to identify market opportunities. As an example, R03 (Male, 37, Coffee roasting, Native French) decided to create his first company selling take-away coffee, after spending some months in the United States and discovering a “*street food culture*”. Another young entrepreneur developed an interest for fresh fruit juice bars after travelling around South America. He progressively got convinced that such a business could be successful in Paris (R07, Male, 31, Coffee shop, Native French).

I was young, I was 25, and I was very interested yet in launching a restaurant or a coffee shop. I was especially interested in fruit juice bars after travelling for months in South America. They are very popular over there, in particular in Brazil. I found this was something lacking in France, and very healthy to drink fruit juices. So why are they so rare in Paris? R07, Male, 31, Coffee shop, Native French

Beyond mere profit opportunities, investing in new markets can ease the initial development of a business, as the level of competition is relatively low. This is exemplified by the case of the owner of a craft brewery launched in 2012 (R18, Male, 43, Native French), at that time the only one existing in the whole city of Paris. He highlights the “benevolence” of most of his first customers, which helped him develop his products and knowledge.

Entrepreneurship and personal fulfilment

Entrepreneurs also explain their interest in launching a business by their desire to enjoy a large autonomy at work. As a matter of fact, most of the young and highly qualified interviewees share a negative perception of large-size companies, described as providing a boring, hierarchical and unsatisfying work experience, by contrast with entrepreneurship. Older interviewees, who became entrepreneurs after a career change, also insist on their strong interest for a professional experience in which they work autonomously, instead of depending on managers.

I think we [R28 and his two same-age associates] mostly have a will of independence. (...) Those big information technology companies tried to seduce us with generous wages, but this is not what we wanted. (...) We perceive these companies as full of rules and processes, as bureaucratic organizations. With no incentive to take risks. R28, Male, 26, Video-projection software solutions, Native French

At some point you need to take off, make your own choices, do what you really like. R31, Female, 33, Shoes store, West-African descent

I come from a totally different world, as I was previously working for an audit firm. I was quite fed up and bored with working for a company and could not imagine to follow with this career. R26, Female, 50, Gold-exchange shop, North-African descent

Autonomy at work thus tends to be described as an achievement *per se*, as the accomplishment of a “desire”, a “wish” or a “dream”. But the opportunity of “being his/her own boss” is not only associated with a negative perception of hierarchies. Entrepreneurship is in fact frequently considered as a better environment for creating and achieving original projects. Independent architects can for instance “make their ideas come true” (R34, Male, 43, Architecture agency, German) while independent designers “create (their) own universe” (R08, Female, 44, Independent designer, Native French) on the basis of their personal interests and experiences. This emphasis on “having fun” and enjoying the combination of the professional experience with a personal “passion” (e. g. for food, for music or for design) is particularly recurring among male entrepreneurs.

How did I consider opening a restaurant? It is by passion. It is a passion. A passion for cooking, a passion for doing business, a true passion for eating. I think that you open a restaurant because you like eating, because you like the products. You do not open a restaurant only to make money. R12, Male, 44, North-African restaurant, North-African descent

Strong personal aspirations for autonomy at work and a rejection for professional routines and hierarchies can thus motivate entrepreneurs into launching a business, as well as a desire to both take advantage and develop personal interests and skills while working.

An opportunity for professional reconversion or facing discrimination

Starting a business has also been an opportunity for some interviewees to perform professional reconversion after being laid off. Six months after losing his former job in the advertisement industry, R21 (Male, 38, Flower shop, Native French) still faced difficulties to get a new interesting position. He got progressively aware that these difficult times could be an “opportunity” to open the flower shop he had been dreaming about for years. Entrepreneurship is actually an interesting option to change careers as it does not necessarily require certificates of professional competence, especially with regard to retail selling activities. It also offers flexibility, as highlighted by the case of R17 (Male, 63, Native French), who could continue working intermittently as a lighting designer during eight years after opening his wine shop.

Starting a business can also be an opportunity for people who face institutional discrimination, as exemplified by the trajectory of R32 (Male, 24, Women’s clothing store, Indian descent). Born in India but raised in France, this member of the Sikh community got in trouble when he was not allowed to go to public high school wearing a turban. Then aged 16, he never accepted to stop wearing his turban and relentlessly asked his father to buy and let him manage a shop in order to secure his professional future. After considering sending his son to study in India, the father finally decided to accept his request. The shop was symptomatically named after a Punjabi word referring to resistance and R32’s aspirations to “live respecting (his) own beliefs”.

Entrepreneurship and forms of civic and political commitment

Some interviews also indicate that different kinds of political considerations can underlie the starting of a business. A desire to contribute to positively change the (local) world can be a strong motivating factor taking a number a different forms, such as supporting cultural and artistic diversity, supporting

the production and consumption of healthy food or fighting discouragement by providing local youth with positive role models.

A desire to engage in the local community can actually be a driver for entrepreneurship. R31 (Female, 33, Shoes store, West-African descent) and her husband insisted on their will to “encourage people” by showing through their example that “*young people can accomplish nice things*”. The category of “young people” implicitly refers to their stigmatized migrant and working class background (see Lelévrier et al., 2015), which sheds another light on their desire to succeed and inspire other enterprises after them.

Involved for years as an activist in different left-wing political organisations, R11 remained deeply disappointed by these experiences. He emphasizes how much he considers his current entrepreneurial activity as an alternative way to be committed, by appointing unemployed people facing difficulties and by buying and selling products which respect high ecological standards.

I was disgusted by my experience, and would never ever again enter a party or an association. This is my last way to do politics. What I put in my glasses, what I put in my plates, and the persons who I work with. This is my way to do... For me this is political action. (...) Helps me to feel in peace with my political consciousness. R11, Male, 44, Wine-bar and restaurant, Native French

Formerly employed in another independent bookshop, R27 also opened his own bookshop in relation with common good related considerations. His main motivating factor was indeed his will to contribute to support and disseminate “*books that hardly can be found elsewhere*”. His main goal was to “*promote a different kind of literature, different artists, and different publishing houses*”. He organizes diversified cultural events (contemporary theatre, poetry, photography) in order to foster original creations and contribute to maintaining a “*real cultural diversity*”. On the other hand, he is proud to allow local inhabitants to access non-mainstream cultural goods and cultural events.

You have to be aware that 80% of the books would just not exist without the independent bookshops. R27, Male, 54, Bookshop, Native French

Beyond the choice of the products and of the employees, a generous wage policy can also be emphasized as a tool enforcing “fair trade” at a local level. R14 (Male, 44, Bar and restaurant, North-African descent) insists to pay his dozen employees one third above the minimum legal wage, for political reasons. After working for years as an employee in the catering sector, he considers it “abnormal” to offer low wages: “*These were our political ideas, create jobs and pay well*”.

3.3. The importance of location and place diversity

Four main reasons shape entrepreneurs’ decision to start their enterprise in the area of study. First, they can be interested in filling a gap in the local market. Second, some of them mostly look for premises strategically located with regard to the number of potential customers. Third, businesses can settle in the area due to better access to different kind of opportunities (real estate market, ethnic networks, public housing schemes). Fourth, the diversity of its population can be appealing for specific profiles of entrepreneurs.

Filling a gap in the market at the local level

Entrepreneurs can decide to settle their business in the area in order to fill a gap in the market at the local level. This strategy is remarkably well embodied by national- or international-scale retail or

catering companies looking for new locations to develop their brand. The director of a sports apparel shop opened in 2014 summarized their strategy with the following words: “*We never open shops in a neighbourhood in which we are not sure to make money*” (R19, Male, 42, West-African descent). They generally use market studies in order to assess and compare the potential of different locations.

With less financial and technical means, independent businesses are also profoundly interested in the opportunity to fill a gap in the local market. R26 (Female, 50, Gold-exchange shop, North-African descent) explains that she settled in the area after observing the absence of a gold exchange shop in spite of its large population. R27 (Male, 54, Native French) opened his bookshop in the area due to the relatively poor local offer. Relying on their extensive experience of local life as well as on “*a small market study*” that they conducted themselves, R31 and her husband decided to open a sneakers retail shop in their neighbourhood, in which this kind of business was previously lacking.

We asked questions of local youngsters and our own siblings, and a sport clothes and shoes retail shop is what was most appealing to them. (...) We observed people had to move outside the neighbourhood to buy sneakers: why not bring the sneakers to where they live? R31, Female, 33, Shoes store, West-African descent

The entrepreneurs targeting the highly-educated and wealthier inhabitants, who settled recently in the gentrifying parts of the area, also benefit from a relatively low level of competition so far, as in the case of restaurants, bars or fine food or wine shops. A personal knowledge of the area is thus of great help to identify the changes of the population and the limitations of the local offer.

Why this neighbourhood? Because it is probably one of the last areas in Paris with no real wine bar. It is very trendy nowadays to open wine bars in Paris, especially with natural wines and when you also offer sophisticated food. (...) The idea was to reproduce in this neighbourhood, where there is absolutely nothing, the kind of places that proliferate in more central Parisian districts. R11, Male, 44, Wine-bar and restaurant, Native French

An interest for strategically located premises

In relation to a concern for securing the economic performance of their business, entrepreneurs also take into account in their location decision the foot traffic of potential customers. In other words, their decision not only deals with the absence of competitors within the catchment area, but also with the very local configuration of the site. In particular, the proximity of public transportation stations (especially subway stations) is widely appreciated, as well as the proximity of other commercial premises, private companies or public facilities such as schools. All those factors indeed attract potential customers.

I did not buy this shop because I liked it, but 'because the subway station is close and there is a lot of people crossing. R29, Male, 27, Home furniture store, North-African descent

At a wider scale, companies operating at the national or international level can take into account the physical location of their competitors and/or suppliers, in order to maximize their chances to attract more professional customers. This has been the case for R36 (40, Male, Fairground material seller, Native French), who decided to settle his family fairground material selling company close to his main competitor in order to try to capture some of his customers by offering them the opportunity to easily compare their offer.

Real estate opportunities

As observed for the case of inhabitants (Lelévrier et al., 2015), a significant number of entrepreneurs

settled their business in the neighbourhood in relation with the opportunity to rent a space owned by a social landlord. It is for example the case for R01 (Male, 47, Independent designer, Nicaraguan), who “*did not know at all*” the neighbourhood before visiting the business premises he chose among three proposals located in different neighbourhoods. As R03, he was previously living in a better-off Parisian district and barely knew anyone living or doing business in the area before settling.

I did not know at all the neighbourhood. I did not care at all about this, going to an area or another was not a concern for me, my idea was to roast coffee inside (he insists on that word) Paris or not far from Paris. R03, Male, 37, Coffee roasting, Native French

Other entrepreneurs work in the area due to institutional initiatives which attract companies for different purposes. The start-up founded by R28 (Male, 26, Video-projection software solutions, Native French) and two friends settled in the case study area because it is hosted by a local companies’ incubator. Previously working at home in a more central Parisian district, R16 (Female, 62, Fashion accessories, Native French) moved to Goutte d’Or after being offered to rent a space partly funded by municipal institutions in order to create a fashion cluster in the area.

On the other hand, ethnic businesses highlight the embeddedness of economic action in social networks (Granovetter, 1985), as the choice of settling in the area can be related to opportunities offered by family members or acquaintances. R32 (Male, 24, Women’s clothes store, Indian descent) and his father were for instance “*not specifically interested by this neighbourhood*” while looking for a shop to rent, but received an acceptable offer from a mutual friend.

Buying real estate on the private market is another opportunity that can lead companies to settle in the neighbourhood, independently from customers-related concerns. The area is actually well-served by the public transportation network and its location is relatively central at the metropolitan scale. In such conditions, relatively affordable prices are a decisive pull factor: they make the area attractive for companies looking for a workspace to buy, in a similar vein as for inhabitants looking for houses to purchase (Lelévrier et al., 2015). The financial risk associated with buying is in all cases perceived as very limited due to the ongoing social upgrading of the area.

Real estate prices are derisory here by comparison with the rest of Paris. (...) If you look at the map of the city, there are other districts where one can find similar opportunities, but they are more peripheral. And here we have two subway lines. (...) So that it took not very long to make a choice. R09, Male, 40, Native French

Diversity as a pull factor

Defined as the presence of a number of socio-economic, socio-demographic and ethnic groups within a certain spatial entity (Tasan-Kok et al., 2013), diversity can also play a role in the motivations for starting a business in the area of study, which is one of the most diverse in Paris. Interviews highlight two different reasons for which entrepreneurs can be interested in settling in a diverse area.

On the one hand, entrepreneurs can settle in the neighbourhood because they target a diverse customer base. It is for example the case of R40’s travel agency (Male, 40, North-African descent), which is specialized in travels to and from North Africa, Africa and the Middle East. He deliberately chose to settle in what he qualifies as an “ethnic neighbourhood”: the ethnic diversity of the area of study actually makes it very attractive for such a business, as many potential customers live there and can also recommend the company to people living outside the area.

On the other hand, diversity tends to be used as a narrative by businesses recently settled in the neighbourhood and targeting a specific component of its population. They celebrate the coexistence

of contrasted inhabitants in the same spatial area, but the relatively high prices of their products suggest they mostly want to reach well-off customers. This positive emphasis on local diversity can be simultaneously sincere and part of a business strategy. The founder of a craft brewery hence insisted on his will to launch his business in the area “*and not somewhere else*”, due to two diversity-related factors: his own residential trajectory and an opportunity to brand the specific history of the neighbourhood. Grown up in a very diverse neighbourhood in another region of the country, he actually immediately enjoyed his experience in La Goutte d’Or when he settled there in his twenties. After working for years in the marketing industry, he considered the opportunity to start a brewery in order to celebrate but also take advantage of the diversity of this neighbourhood, “*simultaneously hyper-Parisian and hyper-cosmopolitan*”, “*a true Babel*”. Diversity has then to be seen as “*one of the constitutive elements of the project*”.

The idea is to invite people to discover and to travel, in a neighbourhood which itself becomes a voyage. This is the reason why I tell you diversity is part of the project, we imagine our beers with ingredients you can find here, because they are part of cultures and gastronomy. R18, Male, 43, Craft brewery, Native French

R11 (Male, 44, Native French) also insisted on his firm will to open his wine bar and restaurant in the area because of the local “blend” of populations. He highlights his perception of intense relations of mutual assistance in this “village” comprised of different religions, skin colours and nationalities: “*this is exactly what I want to do here*”. He actually named his business after the title of a book written by a French West Indies poet who celebrates cultural encounters. In both cases, the interviewees insisted on their desire to contribute in a positive way to the neighbourhood life by improving its image. A related positive outcome for themselves would be an increased attractiveness for external customers (e.g. inhabitants of other Parisian neighbourhoods and/or tourists).

3.4. Selecting the line of business

We distinguished three main reasons for which entrepreneurs selected their actual line of business: a practical interest for continuity with a previously existing entrepreneurial activity, a desire to take advantage of a professional certificate and, probably the most important factor, an attempt to adapt to changing consumption trends.

First, entrepreneurs can choose a line of business for practical reasons related with a previously existing economic activity. They want to benefit from knowledge, skills and especially social connections (suppliers and customers) they developed or that were developed by others. It is for instance the case of R32, who opened a women’s clothing shop in line with his father’s business of selling clothes in several Parisian street markets.

I wanted to stick to my father’s business, you know, find something new to open is not easy. Besides, he already knew the products. R32, Male, 24, Women’s clothing store, Indian descent

Other interviewees insisted on their desire to take advantage of their previous training, such as R21 (Male, 38, Flower shop, Native French) who decided to open a flower shop six months after losing his job in the advertisement industry. His main driver was then to “try to use” the professional certificate he obtained years earlier.

Last but not least, entrepreneurs select their line of business in an attempt to adapt to changing consumption patterns. They frequently start a business because they consider specific products as

particularly attractive for customers and thus profitable. A representative example is R26 (Female, 50, Gold-exchange shop, North-African descent), who decided to open a gold exchange shop after observing a significantly increased interest for gold selling and purchasing in France after the 2008 financial crisis. R37 (Male, Phone store, North-African descent) insists on the “enormous potential” of the cell phone sales and repair business: *“What is our main common point? We all have a cell phone”*.

An active fraction of entrepreneurs target a specific share of the local market by promoting products celebrating the “local” and “manual” (Carfagna et al., 2014 ; Ocejo, 2015). Craft food (e.g. biodynamic fruits and vegetables) and beverages (e.g. natural wines, craft beers named after local places, high-quality locally roasted coffee) can actually be selected as a business because of political considerations (see above), but also because they are “trendy” (R18, Male, 43, Craft brewery, Native French) among highly-educated and relatively well-off consumers. This growing popularity of local and environmentally friendly consumption practices sheds another light on the opening of a craft brewery in La Goutte d’Or, whose beers are named after different streets and places located in the neighbourhood (such as “Myrha” or “Château-Rouge”). Another option for entrepreneurs to take advantage of these changing consumption patterns is to sell different kind of products in bulk (e.g. wine, vinegar), providing thus an answer to customers’ sensitivity to environmental issues (the amount of waste being reducing) while reducing the selling prices.

3.5. The availability of advice, start-up support and finance

The entrepreneurs receive different forms of support when they start a business. In particular, members of their social networks and different kind of institutions provide them with administrative and financial support.

Concerning the often complex relations with administration, the interviewees tend to benefit from the feedback of friends or acquaintances who started a business before them. When they have more financial means, they can also choose to pay for a private advisor to help them launch the business properly. In some cases, they have access to informal forms of institutional support by benefiting from tips given by civil servants in their personal social networks.

Several entrepreneurs were able to launch their business with their own capital alone, be it the product of personal savings or family legacies. However, financial support is frequently provided by banks, friends and family members (mostly parents and siblings). Banks are often criticized for being too risk averse, which sheds another light on the strong role played by social networks in supporting the launching of businesses.

We would have liked our bank to lend us more money. (...) They make their decisions in a strange way. R14, Male, 44, Bar and restaurant, North-African descent

We had no other opportunities but this friend. Neither banks nor public support. R01, Male, 47, Independent designer, Nicaraguan

The least educated entrepreneurs frequently express distrust towards financial institutions. This explains the role played by ethnic networks in financing the launching of businesses, as exemplified by the case of R32’s women’s clothes store, whose capital was partly brought by his father and “uncles” living in France, and partly brought by neighbours of his fathers’ farm in northern India.

Another very interesting example of collective financial support in launching a business is the one of R27’s bookshop. One third of its initial capital (i.e. around 30.000 €) was collected by a cultural

NGO founded to support its creation. It complemented the personal savings of the entrepreneur and a bank loan.

Writers contributed, but not only writers. Artists, songwriters, painters... Also people I did not know before. A Lebanese woman, an American academic... Very diversified profiles. R27, Male, 54, Native French

Entrepreneurs can also benefit from the professional experience of other entrepreneurs when they start their business. Technical skills and in-depth knowledge of the products circulate among colleagues and friends, the boundary between these two categories being sometimes blurred. Interestingly, two entrepreneurs decided to associate after having the opportunity to meet in the neighbourhood as salary-paid workers for different companies.

Public institutions can contribute to financing the launching of companies, through short-term loans or temporary wages in case the entrepreneur is entitled to benefit from unemployment social benefits. Publicly-funded business incubators (*incubateurs d'entreprises*) provide some financial support to the start-ups they host; they also contribute by providing a fruitful environment for developing companies. In a context of expensive real estate market prices, the municipality and the Region have developed those incubators during the last decade, aiming to support young companies in their quest for financial loans and social capital (CCI Paris Île-de-France, 2014). As underlined by R28, they provide start-ups with a supportive environment, encouraging entrepreneurs to share experiences and cooperate:

The Centquatre offers a quite nice atmosphere as a working environment. You feel stimulated both by its artistic dimension but also because the start-ups which are hosted here are very dynamic. We all want to make our dream come true, which is a stimulating factor for the other entrepreneurs. Male, 26, Video-projection software solutions, Native French

3.6. Conclusions

The analytical distinction of different key motivational factors for starting a business does not exclude the possibility for those factors to overlap, as well as for the reasons to settle in the area of study. An interest in filling a gap in the (local) market, aspirations to personal fulfilment and political considerations can actually combine in multiple ways according to entrepreneurs' trajectories and business characteristics.

It is necessary to emphasize the strong role played by real estate opportunities in shaping entrepreneurs' decisions to settle in the area, as previously observed for the case of inhabitants (Lelévrier et al., 2015). However, the diversity of its population can also be appealing for specific profiles of economic activities: on the one hand, businesses targeting a diversified customer base; on the other hand, businesses taking advantage of diversity as a storytelling. Those are comparable by many aspects to the "diversity seekers" (Blokland and Van Eijk, 2010) among inhabitants, who are clearly potential customers. Urban diversity thus contributes to the local diversity of businesses, as it attracts entrepreneurs with different motivations, who in turn target different groups of local and non-local customers.

Interviews illustrate the embeddedness of economic action in social networks (Granovetter, 1985), which provide entrepreneurs with different forms of support and contribute to shape their decisions. They are an invitation to delve more accurately into the definition of economic performance, as

individual and collective positive outcomes of entrepreneurship have been emphasized in most interviews, way beyond mere profit-making considerations.

4. Economic performance and the role of urban diversity

4.1. Introduction

Drawing on entrepreneurs' experiences, this chapter aims to investigate the factors negatively and positively impacting economic performance, defined as "the way individuals and groups perform in the city as entrepreneurs" (Tasan-Kok et al., 2013).

4.2. Economic performance of the enterprises

Entrepreneurs' discourses on the current performance of their enterprises make possible to distinguish four different types of economic performance: companies with a fast growth, established businesses, young and fragile businesses and struggling businesses.

Companies with a fast growth are relatively recently created businesses with rapidly increasing sales revenue. They often settled in the area after identifying a gap to fill in the local market: some are shops or restaurants offering high-quality food products and emphasizing on health and ecological concerns. Other are retail shops targeting a diverse customer base (e.g. phone center, sportswear shop). Entrepreneurs are very satisfied with their investment, and plan to continue growing as long as they can. As an example, the owner of a wine shop and restaurant asserts that the annual growth of its benefits has exceeded 10% since he opened the shop in 2012. The manager of a recently settled sportswear shop also insists on his satisfaction with regard to the economic performance of his business:

We were right to open a sportswear shop here. Personally, as the site director, I am happy to have a shop here. I absolutely do not regret to have settled here. And I know that the people who invested the money, in the United States, my own managers, are very happy with our economic performance. R19, Male, 42, West African descent

Established businesses are older companies with a stabilized economic performance. In the most successful cases, this stability allows entrepreneurs to invest (e.g. in buying premises) and develop new projects. In less successful cases, entrepreneurs mostly insist on their satisfaction to maintain their activity and to be able to pay their employees (when they have employees) and make a living for themselves. R27's bookshop exemplifies this type with a steady annual growth (1,5%) of his sales revenue since it was opened in 2006, and a modest but reliable annual benefit.

The bookshop still exists, which is in itself is a form of success. You have to be aware that one out of five bookshops has closed in Paris during the five last years. Which is huge, and includes historical bookshops. (...) Despite it is located in a deprived neighbourhood suffering the general hardships of the French economy, it still exists. R27, Male, 54, Native French

Young and fragile businesses have been started too recently to figure out their economic sustainability. They have in common a recent launching (during the two years preceding the interview) and the fact that entrepreneurs face difficulties to make a living with their work. Two sub-groups can be

distinguished here again. On the one hand, highly innovating companies in sectors which require huge levels of financial investment. It is for example the case of the video-projection software solutions start-up founded in 2014 by R28 (Male, 26, Video-projection software solutions, Native French) and two classmates of him, who reinvest most of the sales revenues in developing the products and the company. Temporarily working for free, they cannot afford to hire employees and only benefit from the help of students doing internships. On the other hand, recently opened and relatively expensive restaurants and retail stores faced economic difficulties during their first year of existence. Those entrepreneurs mostly aim to develop their customer base inside but also outside the area.

Struggling businesses are companies launched at least five years before the interview was held, facing serious economic concerns. They generally had to reduce the number of their employees, or do not have employees at all, except from family members working for free or low wages. Their sales revenues are decreasing, threatening both their earnings and ability to invest. They generally do not target clearly identified ethnic customers nor the relatively well-off newcomers in the area and struggle with both the local competition (other restaurants, other retail shops) and a depressed general economic context.

I have to say I used to work much better than now. I can say it, I'm not afraid... To be honest I am in a mess. R12, Male, 44, North-African restaurant, North-African descent

Failure factors for businesses

Companies actually face failure factors at different scales: some of them appear to be global or national, while others are more intimately connected with the local level.

Interviewees doing business with Western countries frequently highlighted the negative outcomes on demand of the global financial crisis that started in 2008. On the other hand, political struggles and terrorist attacks worldwide have reduced the profitability of certain ethnic businesses, such as a travel agency.

In 2008, the company was two years old and was doing very well. Then everything went down around us, especially our customers, and we could not continue developing. We had a lot of concerns then. R01, Male, 44, Independent designer, Nicaraguan

At the national level, many entrepreneurs pointed out the current level of salary charges as a failure factor for businesses. They insist on the fact that these expenses threaten the sustainability of their activity, as in the case of R35, the owner of a family restaurant opened in 1964. Whereas its sales revenue regularly increased along the last decade (+50% in ten years) his personal earnings decreased significantly. In his eyes, this reduced profitability of his business is mostly due to the elevated amount of charges he has to pay each year, making him seriously consider to sell his restaurant.

It's quite easy to understand, charges correspond to 110% of what you earn. (...) It cannot continue like this! I am making incredibly good sales revenues! Ten years ago I was earning as much as a manager in a private company, and now I can barely pay myself. R35, Male, 54, French traditional restaurant, Native French

Another danger for entrepreneurs is the behaviour of other companies. As a matter of fact, some interviewees had to deal with bad payers, a reason for which they recommend not to rely too much on specific customers. Others suffered counterfeiting, with severe consequences on their own revenues: R08's design company lost 70% in sales revenue after her star product being counterfeited

by Chinese competitors. She insisted on two interacting negative outcomes of counterfeiting: on the one hand, the price of the product decreases due to competition; simultaneously, a significant share of customers is not interested anymore in the product because of the depreciation of its image.

Obviously when a product does well on the market, other companies notice it... After two years of frank success our product was copied by Chinese enterprises. So that most of our professional customers preferred buying cheaper products made in China. R08, Female, 44, Independent designer, Native French

At the local level, public works frequently have a negative impact on short-term economic performance, particularly for retail activities. The manager of a sportswear shop, R19 (Male, 42, West-African descent) estimated that the number of daily visitors passed from 900 to 1500 after the end of the neighbouring building's renovation works. Interestingly, some features of the local population also appear to play a negative role on economic performance. Recurring tensions between groups of disadvantaged local teenagers are a particular concern for entrepreneurs, as their sometimes threatening attitude may frighten potential customers, as well as their habit to meet in the streets in order to fight. Such a climate appears to be negative for business, as potential customers vanish in relation with safety concerns.

The neighbouring hotel works with a booking website. You should read customers' feedback. (...) I mean, not concerning the hotel, but the neighbourhood. Tourists get attacked here, which is not normal. The outcome of this is negative for him, but also for us. Because the guy who sleeps in his hotel may eat in my restaurant. (...) When there are rivalries and fights for alcohol or drugs, whatever, everyone is affected. (...) A shopkeeper who says he is not affected by this is lying. R12, Male, 44, North-African restaurant, North-African descent

The high prevalence of drug trafficking and consumption in the area of study (see Lelévrier et al., 2015) has also been highlighted by several interviewees as a deterrent for customers. This other aspect of the local diversity of public space uses can make potential customers reluctant to spend time in the neighbourhood, indirectly impacting the economic performance. As observed more than a half century ago by Jane Jacobs, shopkeepers "hate having customers made nervous about safety" (Jacobs, 1961). Also professional customers can avoid the area due to safety issues, as suggested by R26.

A problem is that we are located in a neighbourhood which is frightening for people, even if in reality it is not as dangerous as it looks. Anyway, professional experts for gold and jewels are very reluctant to come here because they are afraid. R26, Female, 50, Gold-exchange shop, North-African descent

The temporary but highly visible presence of international refugees looking for a shelter in specific parts of the area of study has also been associated by entrepreneurs located around those spaces with negative outcomes on their immediate economic performance. Here again, customers were perceived to be frightened, or possibly not willing to consume next to massive groups of homeless for decency reasons: in any case, many local entrepreneurs were affected by a significantly reduced income period.

One morning we saw mattresses everywhere around the square, so we thought "okay, what's happening?" and "poor guys", we understood very well that they had no place to go... (...) But it has not been easy, it lasted more than two months and impacted all the shops around. (...) As an example, the moms coming with their young children were not coming anymore, people were a bit afraid. As a matter of fact, when you see a camp like this, you don't really consider to

come visit it with your children. (...) Economically it has been tough for us. So that we hope this will not happen again, because if people don't come to buy we just cannot make it. R07, Male, 31, Coffee shop, Native French

It is also necessary to note that female entrepreneurs can face specific difficulties in their entrepreneurship trajectory, in relation to motherhood issues. The time they spend in providing family care, and more specifically during the months preceding and following the birth of children can indeed have a negative impact on the economic performance of their business, such as in the experience of R10, who had problems with the bookseller she hired to temporarily replace her:

At some point my sales revenues declined for two reasons. The first one is that I had another kid, and during my maternity leave things went wrong with the person I hired to replace me. This was a catastrophic situation, I had to fire him before the end of his contract, and my maternity leave only lasted one month and a half, I think. (...) Things went really bad. R10, Female, 42, Bookshop, Native French

Success factors for businesses

As for failure factors, success factors for businesses decompose in general and local factors. A positive factor which was frequently evoked is the opportunity to benefit from new sources of capital at key moments. R01's design company (Male, 47, Independent designer, Nicaraguan) provides a good example of how a virtuous cycle can start in relation with capital injection: after a friend offered them to invest in the company, they could move from their personal flat and rent a space in the area of study. This move had very positive outcomes in terms of economic performance of the enterprise. Interns can indeed frequently be welcomed and contribute to face the daily work tasks, which let some space for the designers to focus on the development of new products and thus diversify the company's offer. Meanwhile, the showroom part of the workshop generates enough revenues to pay the rent of the whole workshop. R01 has no doubt that this move was necessary: "*I think we would be dead if we had not come here*".

At the local level, an in-depth personal knowledge of the neighbourhood (i.e. of the local economic life and local population) appears to be a factor enhancing entrepreneurs' ability to identify profitable businesses to start and develop (also observed in New York City by Zukin et al., 2009). This successful strategy is illustrated by R17, who opened a wine shop in Goutte d'Or, where such businesses had been absent for three decades. His progressive and continuous success surprised sceptics arguing that a wine shop would not be profitable in such a disadvantaged neighbourhood, but not himself:

My strong point is that I knew very, very well the neighbourhood. I knew and I think that I still know who I am dealing with and what I can sell. I know very well that here there are poor inhabitants, but also what I call "First class broken people", who have fluctuating incomes but globally make a comfortable living and can buy a nice bottle without drama. Those are numerous in the neighbourhood. R17, Male, 63, Native French

Another local success factor for businesses appears to be the concentration of related businesses, which increases the total number of customers for each business. In particular, African businesses benefit from their location in Château-Rouge, the Parisian "Little Africa" which attracts customers from the whole metropolitan area and even from abroad (Chabrol, 2013). Born in Senegal, R15 summarizes well how the proximity of many shops targeting an African clientele drains customers and as a consequence potentially benefits to all the local businesses.

Any time a new shop opens, I wonder how it can make it, there is so much competition. But I reached this conclusion: the more suppliers there are, the more (he insists on that word) customers there are. Concentration is good for enlarging our customer base. R15, Male, 56, African food retail, West-African descent

4.3. Market, customers and suppliers

The identification of failure and success factors for businesses suggest the economic performance to be impacted in different ways according to the geographical scale of their activity, from the very local to the global market. This is the reason why it is important to try to discern the main customers and suppliers of the businesses under study, shedding another light on the relations between diversity and economic performance.

Targeting different customers at different scales

Most of the *local companies* are retail shops. They divide into two different subgroups, as some of them mainly target ethnic customers, whereas others mainly target a better-off and largely native French clientele.

Companies with a mixed customer base, that is to say companies targeting both local and non-local customers, are the most numerous in our sample. Their clientele significantly varies according to the line of business. Some of them mostly have individual customers, living in the neighbourhood or outside the neighbourhood (e. g. flower shop, bookshop). Restaurants are an interesting case, as they often attract and target a simultaneously local and non-local specific clientele: the employees of other companies located in the neighbourhood, who do not necessarily live there. Other companies target both individual customers and professional customers, as for the African food shops of Château-Rouge which attract buyers from all Western Europe as well as local African inhabitants (Bouly de Lesdain, 1999). Businesses combining a retail activity and a production and/or distribution activity also target simultaneously very different kinds of customers, from local inhabitants interested in buying goods (e. g. craft beer bottles, roasted coffee, fashion accessories) or services (e. g. photocopies) to metropolitan, national or international professional customers interested in making larger orders (e.g. home furniture lines, photocopiers).

A company can thus develop activities at different geographical scales. However, some do not target the local customers. None or almost none of the revenues of those *non-local companies* have actually to do with the area in which they are located. A good example of this type of companies is R28's video projection software solutions start-up, which "targets the international market" and whose geographically closest customers are located on the Western part of the Parisian metropolis. Another case is a fairground material company who has no customer in the metropolitan region, but mostly works with professional customers based in other regions of the country or abroad.

Companies try to extend their market shares in different ways. Entrepreneurs interested in developing nationally or internationally go to professional fairs, particularly in the design and fashion industry, whereas those interested in attracting external customers organize events in their premises or in the neighbourhood (e. g. cultural events in the case of bookshops, doors open days in the case of craftsmen). Being listed in touristic guides or reviewed by newspapers, magazines or influent blogs is also an efficient instrument to attract external customers. Less than two years after its launching, R11 (Male, 44, Native French) estimates that his wine bar-restaurant shifted from one out of ten customers living outside the neighbourhood to one third of local customers. He describes the newcomers as living in wealthier and more central areas and insists on the role played by an advantageous critique published in a trendy foodie blog.

Entrepreneurs can also try to adapt to the local diversity and to the changing trends of the population. Some of the newcomers highlight their efforts to offer relatively affordable products in order to also attract low-income inhabitants: the cheapest products sold at the flower shop cost one euro, and it is possible to have a coffee for the same price in a trendy bar (and a beer for the double). On the other hand, traditional ethnic businesses can be interested in developing their local customer base in a changing neighbourhood, as explained by this owner of an African food shop:

We are working in order to attract the new inhabitants of the neighbourhood into our shops. If we change in the way we present our products, they can be appealing for everybody. R15, Male, 56, African food retail, West-African descent

The Indian restaurant opened by R20's uncle in 1988 when the surrounding area was still largely deprived, appears as an iconic example of ethnic businesses adapting to changing conditions. As a matter of fact, most of its current customers are middle-class inhabitants typical of the newcomers in the neighbourhood.

A diversified array of suppliers

As for their customers, the suppliers of the companies under study significantly differ with regard to their physical distance to the neighbourhood. Some of them are settled locally, while others are dispersed around the country or even located abroad.

Some of the bars and restaurants owners have *neighbourhood suppliers*, providing them with part of the products they use for cooking (e. g. fresh meat) or preparing their drinks: R05 (Male, 36, Pizzeria, Native French) celebrates the fresh mint sold by his neighbour ("the best in Paris"), that he uses to prepare mojitos. Recently settled in the area, R04 (Female, 27, Eyewear company, West-African descent) developed a partnership with a local African textile factory in order to produce her new eyewear line. She emphasized her interest in saving time and maximizing interaction opportunities instead of buying in an adjacent city. However, those fruitful and generally appreciated local transactions remain marginal in our sample.

As a matter of fact, the contemporary trend to celebrate the "local" (Carfagna et al., 2014; Ocejo, 2015) appears to embody mostly in the *Made in France* label. A significant number of entrepreneurs insisted on their choice to supply only or mostly with national products, originating from different regions in the country (e. g. Jura, Béarn, Aveyron). They have very different lines of business (design, fashion, catering, fairground material selling) and a majority of them started their businesses in the area during the last decade. Their reasons for preferring national suppliers are threefold: first, they emphasize the overall quality of the products, by comparison with cheaper products produced further away. Second, they appreciate the possibility to maintain a certain level of control on the production, due to an easier communication and physical access. Last but not least, political considerations partly shape their attitude, as they wish to make craftsmen work in order to sustain them, maintain their know-how and by the way privilege ecologically responsible transactions.

It's a coherent choice with our way of life, our way of thinking. (...) For us it's better to have long-term partners in France. The quality is good, everything is easier, and... You can find very good suppliers in China, but this does not match with our convictions. Sounds a bit like Don Quixote and idealist but it is the way we have been doing things for ten years now. R08, Female, 44, Independent designer, Native French

Here again arises the idea that entrepreneurship does not only deal with maximizing economic performance in mere terms of profit. Personal convictions contribute to shape entrepreneurs'

decisions, especially in choosing their suppliers. However, the choice to privilege national producers has a twofold effect on the sales: on the one hand, it tends to increase the prices, due to the relatively high cost of workforce in France if compared with other countries. On the other hand, selling products “Made in France” can be a way to position in the market and attract customers who privilege other factors over the purchasing price of the products.

In spite of this specific interest for national suppliers, the businesses under study also supply abroad. *International suppliers* were unsurprisingly listed by restaurants and exotic food shop owners: 80% of R15’s goods are imported by boat from Senegal via Le Havre harbour, while R03 roasting coffee company directly deals with Brazilian plantings. Nevertheless, some entrepreneurs import products that could easily be find in France, because of their cheaper price.

4.4. Relations amongst entrepreneurs: evidence of competition or co-operation?

Entrepreneurial relations in the area of study are multifaceted, from competition to cooperation and collective action.

Unsurprisingly, entrepreneurs can express distrust towards others entrepreneurs sharing a same line of business. It is for example the case of R12 (Male, 44, North-African restaurant, North-African descent), who considers that the recent opening of an oriental delicatessen shop has been harmful for the sales revenues of his own North-African restaurant. However, other interviewees insisted on their interest to develop local entrepreneurial networks, particularly useful in order to gather information fruitful for business.

It is always better to maintain good relationships with neighbourhood people, especially entrepreneurs. (...) It is a good way to be aware of the changes in the local sphere. R05, Male, 36, Pizzeria, Native French

Entrepreneurs partly develop their social capital, that is to say their resources deriving from social networks (Bourdieu, 1980), through clientele relationships. Local bars and restaurants are spaces of consumption frequented by entrepreneurs, largely contributing to create a business-friendly atmosphere in the neighbourhood. They often buy goods or services from the neighbouring businesses, as illustrated by case of R11 (Male, 44, Wine-bar and restaurant, Native French). This restaurant owner insists on his interest to “make work” local businesses, reproducing at the local level the same pattern as entrepreneurs who privilege national over international products. The bread he serves to his customers is for instance produced by R22 (Male, 35, Bakery, Native French), the beer he sells by R18 (Male, 43, Craft brewery, Native French) and the advertising posters for his restaurant have been designed by R08 (Female, 44, Independent designer, Native French). He is himself very interested by the settlement of new co-working spaces in the area, in order to develop his customer base. Another interesting case is R21 (Male, 38, Flower shop, Native French), who always offers its remaining flowers to other businesses before leaving the neighbourhood for his annual holidays: “*Because in reality other businesses also are customers*”.

As observed above for the case of Château-Rouge and its concentration of African businesses, the physical proximity of other businesses tends to have positive outcomes in terms of numbers of customers. Several interviewees thus insisted on the fact that economic performance partly relies on other entrepreneurs’ activity, as they drain customers to the surrounding area.

Because if my neighbour does well I will get more customers, if I do well my neighbour gets more customers, and reciprocally. Everybody is happy. And the neighbourhood is alive. R12, Male, 44, North-African restaurant, North-African descent

Such observation sheds another light on cooperative relations described during the interviews. A recurring example for retail entrepreneurs is a reciprocal redirection of customers looking for goods they cannot offer but know can be found in other shops. A brand new entrepreneur, R31 (Female, 33, Shoes store, West-African descent) highlights the mutual support they want to implement with other local young entrepreneurs: *“We try to help each other”*. Those cooperative entrepreneurial relations (e.g. information exchange, networks development) are particularly intense within co-working spaces or companies’ incubators.

Collective action can also be implemented in order to improve local economic performance. One example is The Golden Drops of Fashion and Design initiative (see for details Escafré-Dublet and Lelévrier, 2014). Another example is the mobilization of shopkeepers during a massive occupation of a square by international refugees. Humanistic but also economic concerns underlay their successful attempt to put pressure on the authorities in order to solve the problems and relocate the refugees.

It works. Frankly, it works. We should not be afraid to send letters, we should not be afraid to express our discontent. R14, Male, 44, Bar and restaurant, North-African descent

Such collective mobilizations are however made difficult by the scarce time resources of entrepreneurs, who often insisted on that point during interviews. Notably R12, who created a local shopkeepers association but quickly decided to abandon this involvement.

My role is to cook, not to go to meetings and discuss problems. I mean it’s a problem for me if I cannot carry on with my main task which is cooking. R12, Male, 44, North-African restaurant, North-African descent

4.5. Long-term plans and expectations of the entrepreneurs

The long-term plans of entrepreneurs are generally oriented towards financial investment in order to keep developing their business. Two main directions arise: on the one hand, the development of the products sold by the company; on the other hand, a desire to invest in the business premises. Nevertheless, it is interesting to note that not all entrepreneurs emphasize on the maximization of profit, as they also can take into account their personal well-being.

A first facet of entrepreneurs’ long-terms plans has thus to do with the development of their products. Such an orientation can deal with creating new lines of business, as in the cases of R27’s bookshop aiming to publish its own books or R33’s fast food store aspiring to extend beyond the very local market through the implementation of a delivery service. It can also deal with developing current lines of business, as in the case of R06 (Male, 54, Wine shop and restaurant, Native French) who plans to sell in bulk other liquids than only wine and spirits (e. g. vinegar, oil). R01’s design company aspires to develop new home furniture lines, in order to target more accurately professional customers such as hotels: *“our whole development is based on the products”*. In line with these concerns, producers are interested in investing in machine tools capable to improve and diversify their production.

A second orientation in entrepreneurs' development plans relies on investing in their premises. As a matter of fact, the growth of the companies tends to create new needs in terms of space, as underlined by R03 (Male, 37, Coffee roasting, Native French): *“the more you grow, the more you need space to stock”*. This is particularly true for producers, but also to some extent for restaurants and retail shops whose offer can progressively enlarge. Different options can be considered, from restructuring the actual premises to moving to another space. However, most of the interviewees expressed a wish to stay in the area.

Interestingly, not all the entrepreneurs are interested in maximizing the economic performance of their enterprise, if defined in mere terms of profit maximization. As discussed above, some of them are satisfied with maintaining their activity at its current size and do not specifically desire to target new customers.

In some cases, being too big, or even only a bit bigger, carries more concerns and problems than anything else. (...) My main plan for the company is to continue existing. R39, Male, 58, Office equipment dealer, Native French

Personal well-being considerations can also enter into account and counterbalance analysis focusing only on competitiveness. As underlined by R21 (Male, 38, Flower shop, Native French), *“life and health are ephemeral”*, a reason for which he plans to work hard during the next decade in order to secure his pension before quitting the entrepreneurial world. However, such considerations tend to be highlighted by relatively well-off and highly qualified entrepreneurs: in the case of R21 it is useful to remember that he has worked for years in the advertisement industry before opening his flower shop.

4.6 Conclusions

Drawing on entrepreneurs' experiences and perceptions, we identified failure and success factors for companies at different scales. Global events (e.g. financial crisis, terrorist attacks), national policies and other companies' behaviour can negatively impact economic performance, as well as interactions occurring at the very local level.

In such a perspective, some features of the local diversity of uses of public space (tensions between local teenagers, visibility of drug addicts) can to some extent be repelling for customers who are not used to these kind of contexts. Safety issues are thus an economic stake for entrepreneurs, especially for shopkeepers. On the other hand, access to capital at key moments of the business development, a good personal knowledge of the local sphere and the physical proximity of other businesses appear to have a positive impact on economic performance.

Entrepreneurs can try to adapt to the local diversity, by targeting different ranges of customers. However, they develop their businesses at different scales and the definitions of the “local” significantly vary accordingly to the lines of business. Local entrepreneurial relations are thus multifaceted and partly depend on the profile of entrepreneurs, from competition to cooperation and collective action. The diversity of businesses does not necessary produce competition, but also cooperation.

This chapter is also an invitation to discuss the notion of “economic performance”, as political concerns partly shape entrepreneurs' attitudes towards the market. The choices they make actually have both an economic impact on others entrepreneurs' living conditions and an ecological impact. Not all entrepreneurs only aim at maximizing profit, also emphasizing personal well-being concerns

and an interest in positive outcomes for their suppliers and customers, who in some cases belong to the same diverse local environment.

5. Institutional support and government policies

5.1 Introduction

The entrepreneurs we interviewed run small and middle-sized businesses, many of whom are frustrated by national administrative formalities and taxes. The main interest of this survey concerns interactions between diverse entrepreneurs and local governments in the specific context of deprived but still attractive neighbourhoods. In these contexts, what kinds of support do local governments provide? What types of businesses do they target? How do they take into account the diversity of situations and needs of the entrepreneurs? How do entrepreneurs perceive local arrangements? What do they expect from local government and what do they get? One hypothesis is that perceptions, expectations and benefits vary depending on their professional trajectory and local anchorage.

According to a quantitative survey conducted with 900 Parisian entrepreneurs (CCI Paris Île-de-France, 2014), most insist on three dimensions when asked to describe what would help them to develop better in Paris: 1/ reduced charges, 2/ better conditions for driving and parking, 3/ less constraining rules for businesses. Our more qualitative approach is fruitful to observe other expectations and policy priorities for entrepreneurs.

5.2. Views on the effectiveness of business support provided by local and central governments

Three types of support can be identified; national and local financial and administrative assistance for business start-ups and employment; city incentives and advantages in the renting of business premises; specific networks and arrangements implemented in deprived neighbourhoods, through the City Policy⁹⁷.

Firstly, central governments provide financial aid for business start-ups, and employment assistance and training programs through public services like *Pôle Emploi*, a national and public agency aimed at accompanying unemployed people. A significant share of our interviewees benefited from these different types of support targeted at small and mid-sized companies: exemption of social taxes during six months or one year for unemployed people creating a business, the possibility to hire unemployed or young individuals on specific contracts.

Secondly, the city of Paris provides specific assistance and diverse forms of support. Keeping and developing business is an important stake for the municipality for at least two main reasons. First, business is a financial resource through a local tax called *taxe professionnelle* (business tax) that companies have to pay to the cities. Second, local shops contribute to urban diversity, image and ambiance of the neighbourhoods. So to attract entrepreneurs, the city of Paris adopted different strategies, ranging from specific training programs and networks through the “*ateliers de Paris*” (“Paris workshops”) to business premises in the regeneration policy.

Providing affordable premises to attract new profiles of entrepreneurs

⁹⁷ Throughout this research project we use the term City Policy to refer to this specific field of public policy that is area-based and that concentrates initiatives on a selection of disadvantaged neighbourhoods.

The regeneration policy is an opportunity to buy or build mixed buildings including business premises to rent. Two intermediate stakeholders are also involved in this policy: the social housing corporation (Paris Habitat) and the mixed investment company in charge of the local planning and regeneration policies (SEMAEST), renting affordable and new business premises. For small companies with not enough capital to buy their place, business premises affordable to rent represent a relevant opportunity and financial advantage.

Here it is the Semaest. So they were satisfied because I was reliable, I was already settled there, I knew the neighbourhood and I correspond to what they call « the convenience stores » they want to promote in the area. (...) When I got this shop, it was something because... I could rent and was not forced to buy. So that 's a real support, a clear financial aid. R17, Male, 63, Wine shop, Native French

So most of our interviewees know about these opportunities of “business premises to rent” at affordable prices, mainly through the website of the city and social housing corporation classifieds. Nevertheless, some of these aid recipients express a clear feeling of a kind of “selection” in the access to this offer. R01 got the feeling to belong to the “good profile” of businesses looked for by the city:

It is the city who takes the final decision of who they want... They clearly told us that they wanted us. The city deliberately chose us without ambiguity. (...) We were the second, perhaps because we are designers, perhaps because we offer a product that does not exist in the neighbourhood. (...) They wanted to diversify the shops and wanted to avoid [new import-export companies to settle] ... That's what they told us... We don't know exactly why but they clearly told us that our business was a good profile for the area. R01, Male, 44, Independent designer, Nicaraguan

This diversification policy seems to be a way to control the business development of the area. The strategy of diversification is oriented towards attracting new economic activities targeting the new inhabitants. So in this way, diversification could mean gentrification more than enhancing diversity.

A strong feeling of abandonment and injustice expressed by the former entrepreneurs

Not all our interviewees express positive feelings towards the city policy. Those who can be called the “formers” feel as though they are being abandoned and no longer desired in the neighbourhood. Amongst them, we can distinguish two different groups; on the one hand, old traditional French owners of “*brasseries*”, restaurants or other shops who settled when there were lots of industrial activities and craft industries in this working-class area; on the other hand, small shopkeepers selling ethnic products who settled when a large part of the population were migrants from North and Sub-Saharan African countries.

The French-native formers do not see themselves as benefiting from financial assistance and on the contrary criticize the city norms and controls. The main complaints are on taxes and the main conflicts with the city are on the uses of sidewalks. This sense of abandonment partly referred also to their own professional and individual trajectories: they are close to retirement and have seen a decline of their familial business and a sort of personal downgrading. As the oldest French-native inhabitants, they miss the “old times” when the workers came to have lunch in their crowded restaurants. The diversification of the inhabitants and businesses does not guarantee them an increase of their activity, as older restaurants tend to be replaced by new ones.

The African shopkeepers express a strong feeling of stigmatization and denounce a deliberate policy of displacement of ethnic shops. They perceive the hygiene controls and administrative closures as a persecution and a will to push the ethnic shops out of the neighbourhood.

Today the policy of the city is to exercise the right of preemption on all the businesses when they are sold, in order to settle something else than exotic shops. (...) Five years ago, we lived tough years when the police came, took the merchandises, threw them away without any reason! R15, Male, 56, African food retail, West-African descent

These two groups share a strong sense of abandonment, all the more as they consider themselves to have played or still play a positive role in local life. This leads to a feeling of injustice and lack of recognition of their belonging to the neighbourhood:

The neighbourhood is changing, things are changing, I realize that and I realize that this is changing without us and against us. (...) When the place was a rough place, only the African shopkeepers were there. Nobody came to see them. Then all of a sudden, with the real estate boom, there is no more room in Paris and this is one of the only place to conquest, now it is necessary to take this citadel and tell the people who were here « ok, you have to leave »... That's how I see that... Because today the city of Paris provides business premises but no way they will give them for selling exotic products. R15, Male, 56, African-food retail, West-African descent

Unlike the first group, most of the ethnic shopkeepers are not inhabitants. They live in the close suburbs and are foreigners. So they are not able to vote and know that their local power to pressure is limited.

Do these observations mean that businesses are just part of the gentrification process supported by the city? Our survey suggests more nuanced findings, as one of the aims of the city policy is to try to provide inhabitants with some positive economic and social outcomes from the presence of activities. This is the reason why the selection process can lead to a negotiation of conditions for the right to rent, enhancing the neighbourhood's animation. To rent its business premises to a social landlord, a coffee-roaster was for instance requested to open a coffee shop in order to contribute to local life by providing new services to inhabitants.

5.3 Wider awareness of organisations, programs and initiatives to support entrepreneurs

Our interviewees are aware of specific local and city-wide initiatives but do not use them in the same way according to their level of qualification, their business plans and their local anchorage.

The neighbourhood project managers⁹⁸ play a strong role in developing businesses, professional networks and training programmes. They target the vulnerable small and medium-sized enterprises, the unemployed and the low-skilled entrepreneurs. The idea is to enhance local economic development and favour the inhabitants' employment while fostering the neighbourhood identity and image. These last years, the local team of the 18th district has for instance developed an innovative cluster named *Les Gouttes d'or de la mode et du design* (*The Golden Drops of Fashion and Design*), a project that seeks to structure the garment and fashion industries of the historic immigrant neighbourhood

⁹⁸ In the framework of Paris city-policy for disadvantaged neighbourhoods, local management teams are established in the area to support local initiatives (see Escafré-Dublet and Lelévrier, 2014).

of la Goutte d'Or and favour networking (see Escafré-Dublet and Lelévrier, 2014). Three interviewees are involved in this cluster.

Local business diversity facilitates elective and specialized networks

Our survey outlines two main findings: a sort of distance between newcomers and “formers” and a gap between the new business development and the unemployed inhabitants. Some recent experiences of co-working and companies incubators⁹⁹ supported by the city of Paris enhance the new start-ups providing them with shared services. Nevertheless, the types of activities involved are high-skilled and not really connected with the former activities or the lower-skilled inhabitants. The managers of traditional restaurants hold violent speech about public assistance, not seeing themselves as the aid recipients and much more as the “victims”. Aged 54, this man feels let out of the neighbourhood's development:

No assistance... except harassments... For nothing, for the noise, for...the terraces... harassments and racketeering... Before, I think that some neighbourhoods were racketed by the Corsican mafia... Now, it is the city of Paris who racket us (...) and that's why small local restaurants like mine, when I started there were 25 of us... Now, I am the only one remaining, the last one... R35, Male, 54, French traditional restaurant, Native French

Others got involved in local shopkeeper networks. One of our interviewees tries to organize a resistance to what he perceives as a “willful displacement policy” in one street full of ethnic food shopkeepers (R15, Male, African food retail, West-African descent). Micro-local associations are created to talk to city actors but not organized at the neighbourhood scale.

Our survey shows that the measures implemented at the neighbourhood level through the “neighbourhood” policy affect above all small entrepreneurs with low-skills. However, some arrangements of the neighbourhood management in the 19th district open other opportunities, much more based on the connection between complementary activities. The informal cooking of African migrants in a migrant's hostel changes into a formal NGO delivering ready-made meals to employees working in the new businesses. This type of action leans on the well-known idea of externalities locally created around a cluster of businesses.

5.4 Policy priorities for entrepreneurship

Most of our interviewees express a multitude of expectations. Some of them are not specific to the area of study while others are more closely related to the city and neighbourhood action. There again, new businesses started by or trendy bars do not expect the same kind of financial and administrative support as the large chains or the former established businesses. However, they share common views on the role the city and local networks could play in enhancing economic performance and managing diversity.

Financial support for investments and administrative simplification

Part of the interviewees share a strong private and “self-made” professional culture. This explains why some of them have no expectations from central and local government:

In fact, I don't expect anything from public action. I am... I don't know if it is a sort of deafness or blindness. I don't know but I have the feeling that as an entrepreneur... I have nothing to

⁹⁹ The city of Paris had 100 000 m2 available in incubators' premises and 50 co-working places in 2015.

ask. I mean I decided to start my business... So I take the risk and I have to make it on my own. R18, Male, 43, Craft brewery, Native French

The most common answer to the questions related to public action is the complaint that the French national system of payroll taxes puts a brake on hiring and on their ability to develop their business. So what they really expect from the central government is to reduce these taxes and provide incentives for hiring. They also expect better access to credit. Two points are especially underscored. The first one is the need for long-term support:

Paris Initiative Entreprises supported us but apart from that... And they helped us when we started the business but once the business is created and when you need funding again, if you are not big enough, for small companies with small turnover like us, there is nothing. (...) And as designers, we need funding to expand our business... I don't ask for grants, just for loans. R01, Male, 44, Independent designer, Nicaraguan

They shared the feeling that financial aid and credits are much more accessible for large companies. The expression “*we are small businesses*” is often related to promoting the “local”. This “locality” which should be better rewarded and recognized can refer to the feature of the products “made in France”:

So we feel, rightly or wrongly, but we feel that companies like us, we have products “made in France”, we make a strong effort to do a lot of things that the State is supposed to enhance (...) but in the reality, they will support Airbus, there is State and city supports for large companies but not for the smallest who try to make local stuff. R01, Male, 44, Independent designer, Nicaraguan

“Local” can also mean to be from the area and the city. For a bookseller, the city should buy books for the public library in the local Parisian shops instead of buying from large companies through the “public procurement system”. It is a question of “locality” and “justice” (R27, Male, 54, Native French).

They also ask for a simplification of the formalities which are much more difficult to deal with for small businesses. Such a simplification is described as potentially encouraging young people to start their own businesses.

Diversity as an asset: more attention and regulation from the city

The relationship between entrepreneurs, “the city” and their neighbourhoods’ representatives is rather strained. One interviewee even considers his relation with the institutions as “*extremely negative*” (R05, Male, 36, Pizzeria, Native French). Uses of public space, cleaning and safety of the neighbourhood are the main topics of conflicts and so the main fields of expectations.

Firstly, all the restaurants, shopkeepers and bars face the same problem regarding the uses of terraces. They have to pay taxes because they put tables or displays on the pavement and get fined when they are over the legal limits. The feeling is that “*nobody is listening*” to them (R12, Male, 44, North-African restaurant, North-African descent). They request “*more indulgence*” and tolerance from the city controllers, especially during the period they are waiting for permits to exceed pavement limits. For this restaurant owner, respecting the rules will make him lose money.

They write you a ticket, they threaten you... What I would like is much more communication between the municipality who, I can understand that, has its own rules, who needs to regulate all that so that it won't become wild, it's normal... But then just a little bit more of humanity and understanding in that... Not write me a ticket when I go beyond one authorized meter...

If I should respect the rule, I would have to close and stop my business. R05, Male, 36, Pizzeria, Native French

The misperception of city behaviour is related to the non-recognition of the social and economic role entrepreneurs think they play in the area. So they claim for more consideration and attention. The managers of restaurants and bars feel like “*servicing people*” (R35, Male, 54, French traditional restaurant, Native French), contributing to the “*conviviality of the street*” (R12, Male, 44, North-African restaurant, North-African restaurant), “*developing social mixing and creating jobs*” (R05, Male, 36, Pizzeria, Native French). Some new entrepreneurs also feel that they invest a lot without any feedback:

I think that in the 18th district we play a role, not important, but interesting for them. (...). They put us there, they said “It’s a good idea to put you here” (...) But they never, never, never came to see us to ask “could we do something for you? Is everything OK? Is there any problem?” R03, Male, 37, Coffee roasting, Native French

Conflicts on different uses of public space may also arise between formal shopkeepers and sidewalk vendors who set up in front of their stores, “*bothering the customers*” (R15, Male, 56, African food retail, West-African descent). This entrepreneur suggests that these conflicts could be solved through “*roundtable discussions*” organized by the city. They expect the city to play a mediation role between the two parties.

Secondly, entrepreneurs expect more cleaning and maintenance of public space. They ask for more frequent trips of the local agents to improve the cleanliness of the pavements and the streets which they find dirty. But the expression “cleaning” refers also to the delinquency and contested uses of spaces by street sellers, drug dealers, and disadvantaged teenagers:

The policemen who come, they do not really clean. There are too many sidewalk sellers of cigarettes here. (...) When they pass by, they will put their cigarettes somewhere else, so these policemen don’t really clean. R19, Male, 42, Sportswear shop, West African descent

The cigarettes street sellers give a bad image of the neighbourhood and are perceived as threatening their performance by pushing out the customers. Most of the entrepreneurs claim for more security at night to avoid pickpockets and drug trafficking in specific streets. Some would like at least the city to be “*aware of the problem*” (R12, Male, 44, North-African restaurant, North-African restaurant). They also would like to have more policemen coming and having a more efficient action.

A single point of contact to foster dialogue and local networks

The contribution of the city to economic performance could be improved at least in two main directions: communication and adaptation of the assistance provided. The first improvement would be to create an easily accessible “single point of contact” for entrepreneurs (a person or an office).

Well, we miss... in any case, for myself, ten years ago, I missed a lot of a reliable and clear interlocutor. (...) I have wasted a lot of time when starting my own business, I lost time because I did not want to be apart from a potential aid that did not exist... And nobody was there to tell me: “well, no, you do not qualify for anything, don’t waste your time”. R17, Male, 63, Wine shop, Native French

This unique interlocutor would contribute to providing better information and communication as well as to the reduction of the administrative complexity. As a matter of fact, when entrepreneurs want to solve a problem they face, they have to deal with lots of different stakeholders:

On the land registry, this building did not exist...but nobody can help us. There are lots of different bodies you have to ask and they are all passing the buck back and forth. (...) There is nobody, no respondent! We sent three mails, they are passing the buck back and forth... I have been in touch with everybody but you get depressed in three seconds. R03, Male, 37, Coffee roasting, Native French

The second improvement would be to better adapt the training programs and administrative support to the diverse entrepreneurs and needs. The new high-qualified entrepreneurs do not need “basic” training programs such as Internet training. They tend to find irrelevant the programs offered by the neighbourhood management or the “Paris Workshop” organized for entrepreneurs.

It's really, the training programs they offer... are really basic you know... “choose between a limited company (SARL) and a independent entrepreneur status (auto-entrepreneur) ?” So, we are not even part of this choice, it is really a very basic support for people who are going to create their own business and who don't know at all how to handle it. R01, Male, 47, Independent designer, Nicaraguan

The third improvement asked by interviewees is more difficult to implement and has to do with a better recognition of their social role. The newcomers would like to be better “welcomed” in the area, while the formers expect the administrative agents to be more comprehensive and respectful. The newcomers would like to be introduced to the neighbourhood and be informed about where they are and what services are offered. For lots of them this would be a “normal attitude”, a “basic one” (R09, Male, 40, Native French). They also wait for more networking between local businesses and between local public economic agencies and businesses:

It is this role of network that should be played and that the city hall is not doing very well I think. (...) They should at least offer you to meet with the local economic agency and tell you who is in the neighbourhood. R09, Male, 40, Native French

This linking could also bring the unemployed inhabitants closer to entrepreneurs and jobs:

If a new business opens, I would come... If I have a mission of economic development in the area... at 200 yards, well, I come, I talk to the guy! They are supposed to help people if I understood well, at least for employment, at least to tell me: “Yes for sure we have Pole Emploi but also a pool of people who are looking for a job!” I don't know, that's just showing itself... I don't understand why they don't do that. R11, Male, 44, Wine-bar and restaurants, Native French

So the entrepreneurs expect more involvement from City Hall: a facilitator for formalities and access to quality training programs and assistance; a mediator to regulate conflicts and problems; coordination between the different departments and institutions; networking between companies and unemployed people, between companies and public services and between business owners working in the same neighbourhood, in the same or complementary fields.

5.5 Conclusions

Our interviewees know of and benefit from the common national employment and start-up assistance mainly provided by the State. But the most interesting measures regarding diversity are taken at the level of the city and the neighbourhood. Offering large and affordable business premises is obviously an efficient strategy to attract new businesses and a booster of their economic

performance. Nevertheless, our survey confirms what has already been shown by previous research conducted in North-Eastern Paris: the diversification strategy implemented by the municipal authorities leads to a selection of new businesses which meets the needs of the better-off inhabitants (Chabrol *et al.*, 2014) and to a stricter control of the uses of public space (Milliot, 2015).

The most interesting results can be seen in the expectations that the entrepreneurs have of the city. More than financial aid, they wish for better recognition of their role in the local economic development and social life. The newcomers feel that they are playing a useful part in the attractiveness of the renewed neighbourhood; the ethnic shopkeepers selling North African and Sub-Saharan African goods feel that they were there when nobody wanted to come in the neighbourhood and still serve the local population needs; the former traditional bars and restaurants see themselves as places of diversity, conviviality and encounter. In these deprived neighbourhoods, the storekeepers are perhaps more than elsewhere “strong proponents of peace and order”, “great street watchers and sidewalk guardians” (Jacobs, 1961). They expect the city could mediate, facilitate, create networks and better adapt the assistance to the diverse needs of the entrepreneurs.

6. Conclusion

6.1. Summary of the key findings

Congruent results with the research conducted among inhabitants (Lelévrier *et al.*, 2015) emerge from this survey on entrepreneurs. In particular, real estate opportunities appear to play a decisive role in shaping entrepreneurs’ decisions to settle in the area of study: as in the case of housing, the offer of business premises owned by social landlords is relatively important, and the prices on the private market are still affordable in comparison to the rest of the city. Those relatively moderate prices, a good provision of public transportation and the central location of the area at the metropolitan scale are important pull-factors. By contrast, diversity can only in certain cases be considered as a motivational factor to start a business in the case-study area.

Entrepreneurship and urban diversity

Defined as the presence of a number of socio-economic, socio-demographic and ethnic groups within a certain spatial entity (Tasan-Kok *et al.*, 2013), diversity generally does not appear to be a pull-factor for entrepreneurs in the adjacent neighbourhoods of La Goutte d’Or, La Chapelle and Flandre. However, it can be appealing for two profiles of businesses.

On the one hand, activities (retail or services) which target a customer base related to one (or more) ethnic group(s) identified with the area. Their spatial concentration tends to attract customers living outside the area and increases the total number of customers for each business, as in the case of the African shops and restaurants located in Château-Rouge, the Parisian “Little Africa” (Chabrol, 2013). On the other hand, diversity can be used as a narrative by businesses targeting a better-off and more recently settled share of the population, as well as customers living outside the area. They celebrate the coexistence of diverse inhabitants in the same area, emphasizing the positive outcomes of cultural encounters. Comparable in many respects to the “diversity seekers” among inhabitants (Blokland and Van Eijk, 2010), they take advantage of diversity and sometimes brand the neighbourhood, insisting then on their desire to pay back to the local community, as observed in other contexts (Zukin *et al.*, 2009), for instance by improving its image. Those two profiles of companies largely contribute to the visible diversity of economic activities in the area of study. Interestingly, the transnational offer of ethnic restaurants and shops contrasts with the celebration of “local” products (i.e. craft beer produced in the area, food grown in surrounding regions, goods produced in France) by the recently settled businesses (Carfagna *et al.*, 2014; Ocejó, 2015).

The growing visibility of products (e.g. design stores, biodynamic beverages or food) and consumption practices (e.g. trendy coffee shops and restaurants) formerly absent in the area, contributes to its transformation. As highlighted by previous research conducted in Paris and Brussels (Van Criekingen and Fleury, 2006; Chabrol *et al.*, 2014), this “commercial gentrification” not only appears to be a consequence of changes in the composition of the local population, but an active driver of the local social upgrading. Meanwhile, the concentration of so-called “exotic” businesses in La Goutte d’Or appears to protect them to a certain extent from being threatened by the changes in the local population, as a large share of their customers live outside the area (Bouly de Lesdain, 1999; Chabrol, 2013).

The diversity of the entrepreneurs, not only in their activities and economic performance but also in their professional careers, local anchorage and lifestyles, can be seen as an interesting result. On the one hand, the cohabitation of diverse entrepreneurs exacerbates the differences between the “formers”, who started their businesses decades ago, and the newcomers. On the other hand, it is also a booster for cooperation, networks and complementarities, contributing to the social cohesion of the neighbourhood.

Certain features of the local diversity of public space uses can have negative outcomes on the economic performance of different kinds of businesses (retail, cafés and restaurants). Tensions between groups of local teenagers, the high prevalence of drug trafficking and consumption, and the temporary but highly visible presence of international refugees looking for a shelter in specific sectors of the area of study have for instance been emphasized as potentially deterring clientele unaccustomed to these kinds of urban contexts, especially by the entrepreneurs recently settled in the area. The impact of diversity on economic performance, defined as “the way individuals and groups perform in the city as entrepreneurs” (Tasan-Kok *et al.*, 2013), thus appears to be ambivalent.

Entrepreneurship and (economic) performance

Our qualitative approach of entrepreneurs’ experiences invites us to go a step further and try to refine this definition of economic performance, as individual and collective outcomes of entrepreneurship have been frequently emphasized during interviews. In other words, not all entrepreneurs uniquely aim at profitability.

At the individual level, many emphasized their aspirations for professional autonomy and personal fulfilment. Entrepreneurship is then opposed to unsatisfying work experiences and associated with a rejection of hierarchies and routines, as well as with a better environment for creating and achieving original projects. Entrepreneurs can also take into account their personal growth and well-being, making it necessary to counterbalance the analysis focalising on competitiveness.

In relation to those expressive concerns, entrepreneurship can also be associated with forms of civic and political commitment at different scales. A desire to positively contribute to changing the (local) world can actually be a strong motivating factor for entrepreneurs. Such desire can for instance materialize through the promotion of products with high ethical/ecological standards, the support of cultural and artistic diversity or through the hiring of local and/or disadvantaged employees. Personal convictions play a role in shaping entrepreneurs’ decisions, especially in choosing the products and suppliers, inviting to consider entrepreneurship as a way to be committed in the (local) society.

Interviewees’ frequent interest in the positive outcomes of their activity sheds another light on the way the performance of a business should be assessed, as not all entrepreneurs are merely interested

in maximizing their profits. Adopting such a perspective might actually allow for other positive outcomes of urban diversity on entrepreneurship to be observed.

Entrepreneurs and public action

At the national scale, many entrepreneurs pointed out the current level of salary charges as a failure factor for businesses. They insist that these expenses threaten the sustainability of their activity, and expect the central government to reduce these taxes as well as provide better access to credit. Many also highlighted a desire for administrative simplification and an improved relationship with institutions, often described as lacking flexibility, comprehension and leniency, in particular with regard to the uses of public space.

However, the perceptions of public action vary accordingly to the profile and trajectory of the entrepreneurs. The long-term established French entrepreneurs and the African shopkeepers share a strong sense of abandonment and in some cases persecution from institutions, feeling threatened by recent policies aiming to “diversify” the current commercial offer. They tend in particular to see themselves as discriminated against by hygiene checks or fines for their prohibited sidewalk uses, all the more in the cases of ethnic shopkeepers who tend to feel pushed out by the regulations in some sectors of the area of study (La Goutte d’Or). Other entrepreneurs believe that institutions preferred their profile, in particular when they are selected for businesses premises owned by social landlords. These are mostly newcomers, young and high-skilled entrepreneurs in innovative and developing sectors or managers in international chains, chosen by the city to contribute to urban regeneration policies. They expect the city to improve their business conditions through the cleaning out and regulation of delinquency in public spaces.

In all cases, it is stunning to observe how entrepreneurs unanimously aspire for institutions’ recognition of their positive contribution to local social and economic life. Among other dimensions, they highlight their role in enforcing social control but also fostering encounters in the neighbourhood, contributing thus to producing a safe and vibrant local life, in other words, social cohesion. Newcomers especially feel that they are playing a useful part in the attractiveness of the neighbourhood, while ethnic shopkeepers feel that they were there when the area was not as attractive as it is nowadays. “Formers” traditional French businesses highlight their central role in those former working class areas, as places of conviviality.

6.2. Policy recommendations

The interviewed entrepreneurs emphasized expected improvements in the dialogue with the local institutions: improved information transmission and communication through a “single point of contact” and a better welcoming of new entrepreneurs to the area, useful to identifying potential local customers and suppliers and to forging connections between entrepreneurs.

Beyond that, and based on the research findings, four types of recommendations can be addressed to policy makers.

First, it would be important to enhance some policies implemented by the city for developing businesses that have a real effectiveness on economic performance and social cohesion. The city of Paris does not face difficulties in attracting entrepreneurs, who appreciate the provision of affordable premises by the municipality and by housing corporations. To a certain extent, the urban regeneration process contributes to developing this offer. These advantages motivated the location in the area and facilitated the development of businesses through moderate rents and easier conditions for getting a lease (especially regarding payment guarantees). However, local public

support is not only related to material conditions. The policy of developing co-working spaces and companies' incubators for new start-ups has contributed to reducing their expenses (by the sharing of services), but the interviewees also stressed the networking benefit of these programs, enhancing intense entrepreneurial cooperation. They establish new relationships and discover professional complementarities, illustrating the advantages of local economic development.

Second, it would be better take into account the diversity of the entrepreneurs and adapt the local strategies to this diversity. The business premises advantages and the co-working spaces and business incubators target new entrepreneurs and start-ups, a reason why they are perceived as selective. The existing traditional activities of the area feel they are neglected although they play a structural role in the local diversity and social cohesion of the neighbourhood. Recognition of this role and concrete reassurances to maintain their activities are crucial, and the training programmes need to be adapted to different needs and situations.

Third, improve the neighbourhoods' layout and maintenance to avoid the potential departure of some entrepreneurs. From a short-term perspective, it is important to improve the property and safety of the area. Public action should not be repressive (drug trafficking, homelessness...) but could lean on the neighbourhood as a community. Interviews indeed highlight the desire of some entrepreneurs to find collective and humanist solutions to these "harmful" uses of public space for their economic performance. From a longer-term perspective, the city has to reflect on the future of the neighbourhood. Some companies need larger business premises for storage and expansion and could leave Parisian districts for the suburbs if they cannot grow their activities. Regarding the neighbourhood, the municipality-led commercial gentrification can increase rents (Zukin *et al.*, 2009) and reduce existing diversity.

Fourth, maintaining and supporting the existing traditional and ethnic activities should be considered vital. They contribute not only to the local diversity of the neighbourhood, but also to the attractiveness of Paris at the metropolitan, national and even international level. The African centrality of Château-Rouge, as well as the traditional French restaurants and cafés, contributes to the economic performance of Paris. The disappearance or significant reduction of these types of activities could have a negative impact on the city's diversity and social life.

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Appendix 1: List of the interviewed entrepreneurs

Interviewee	Age	Gender	Type of enterprise	Cultural background of the entrepreneur
1	47	M	Independent designer	Nicaraguan
2	39	M	Shoes manufacturing	North-African descent
3	37	M	Coffee roasting	Native French
4	27	F	Eyewear company	West-African descent
5	36	M	Pizzeria	Native French
6	54	M	Wine shop and restaurant	Native French
7	31	M	Coffee shop	Native French
8	45	F	Independent designer	Native French
9	40	M	Broadcasting company	Native French
10	42	F	Bookshop	Native French
11	44	M	Wine bar and restaurant	Native French
12	44	M	North-African restaurant	North-African descent
13	40	F	Asian delicatessen	Asian descent
14	44	M	Bar and restaurant	North-African descent
15	56	M	African food retail	West-African descent
16	62	F	Fashion accessories	Native French
17	63	M	Wine shop	Native French
18	43	M	Craft brewery	Native French
19	42	M	Sportswear shop	West-African descent
20	48	M	Indian restaurant	Indian
21	38	M	Flower shop	Native French
22	35	M	Bakery	Native French
23	42	F	North African restaurant	North-African descent
24	-	M	Bar	West-African descent
25	33	F	Co-working space	Costa Rican
26	50	F	Gold exchange shop	North-African descent
27	54	M	Bookshop	Native French
28	26	M	Video-projection software solutions	Native French
29	27	M	Home furniture store	North-African descent
30	50	M	Pharmacy	North-African descent
31	33	F	Shoes store	West-African descent
32	24	M	Women's clothing shop	Indian descent
33	-	M	Fast-food	Native French
34	43	M	Architecture agency	German
35	54	M	Restaurant	Native French
36	40	M	Fairground material	Native French
37	-	M	Phone store	North-African descent
38	50	F	Second-hand clothes store	North-African descent
39	58	M	Office equipment dealer	Native French
40	52	M	Travel agency	North-African descent