Dealing with Urban Diversity

The Case of Zurich

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DIVERCITIES: Dealing with Urban Diversity

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Governing Urban Diversity:
Creating Social Cohesion, Social Mobility and Economic Performance in Today’s Hyper-diversified Cities
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This book is one of the outcomes of the DIVERCITIES project. It focuses on the question of how to create social cohesion, social mobility and economic performance in today's hyper-diversified cities. The project’s central hypothesis is that urban diversity is an asset; it can inspire creativity and innovation, and make cities more liveable and harmonious. To ensure a more intelligent use of diversity’s potential, a re-thinking of public policies and governance models is needed.

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There are fourteen books in this series, one for each case study city. The cities are: Antwerp, Athens, Budapest, Copenhagen, Istanbul, Leipzig, London, Milan, Paris, Rotterdam, Tallinn, Toronto, Warsaw and Zurich.

This book is concerned with the City of Zurich. The texts in this book are based on a number of previously published DIVERCITIES reports.

The authors
1 DEALING WITH URBAN DIVERSITY: AN INTRODUCTION

1.1 INTRODUCTION

By definition, cities are highly diverse. Many have existed for long periods of time and, in the process, have developed a large diversity of urban neighbourhoods swayed by government input and markets. These neighbourhoods may display a range of housing and environmental characteristics, leading to all kinds of specific places: enclaves for the rich; slums and ghettos for the very poor; middle-class suburbs; both thriving and degrading inner-city districts; gated communities; areas with shrinking populations; and areas with growing populations due to increasing immigration. Residential neighbourhoods can be inhabited by mostly rich or mostly poor residents, can have a majority of immigrant groups or can be heavily mixed with many different population groups. Neighbourhoods can be places of intensive contact between groups or areas of parallel lives, where people have little in common with each other. Areas may be mixed, with respect to ‘hard’ variables such as income, education, ethnicity, race, household composition and age structure, but also on the basis of ‘softer’ characteristics, such as lifestyle, attitudes and activities. Some people may choose to live in certain areas, while others may have little choice. In most urban areas, residents live together harmoniously, but in some areas, the underlying tensions can sometimes erupt into open conflicts between different groups.

This book focuses on urban diversity and how it affects social cohesion and social mobility among its inhabitants as well as the economic performance of its entrepreneurs. It will make clear that, despite the existence of negative discourses, people living and working in diverse cities and neighbourhoods often see positive aspects of diversity and may even profit from it. We are also aware of the negative consequences of living in diverse urban areas, but we want to specifically focus on the often-neglected positive aspects that residents and entrepreneurs see, feel and experience.

Zurich, the focus of this book, is a highly diverse city with a current population of over 400,000 inhabitants. Of the city’s population, 32% are foreign nationals coming from 169 nations, and 61% of residents over 15 years have a migration background (City of Zurich, 2014; 2015). Zurich is a melting pot of different cultures, languages and religions, and its diversity has shaped city life for several decades. Zurich is among the world’s largest financial centres, and around 40% of the city’s economic potential comes from its financial industry. By far the most important sector in the City of Zurich’s economy is the tertiary sector, which employs over 90% of workers (ibid.). Nevertheless, the city has a sizable number of small businesses – around 88% of the city’s workplaces have less than 10 full-time employees.
Our research takes place in Districts 4 and 9 of the City of Zurich. This area has about 80,000 inhabitants and can be considered one of the most diversified and dynamic areas in the city, in terms of its population, entrepreneurship and uses. Thereby, the neighbourhoods in these two districts differ from each other in many respects: they range from former working-class neighbourhoods with high shares of social housing and high proportions of foreign nationals to former farming villages that are now mainly quiet residential areas with a rather rural character.

This chapter is divided into four sections. Following the introductory section, the second section describes the purpose of the book. Section three outlines the main theoretical starting points for the book and discusses the connections between the concept of ‘diversity’ with urban governance, social cohesion, social mobility and economic performance. The fourth section then presents the outline of the book.

1.2 THE PURPOSE OF THE BOOK

Our aim is to discover if diversity ‘works’. Are there advantages for those who are directly confronted with it and who live within it? How are the policy instruments and governance arrangements dealing with diversity formulated? What about the policy discourses on urban diversity? How do residents profit from these policies and arrangements? And how do these residents perceive the diversity in their neighbourhood? Do they see advantages, or do they encounter negative effects? And do they care, in the first place? Has urban diversity had an impact on entrepreneurs who started their enterprises in our research area? How can they profit from diversity?

The research for this book was based on qualitative fieldwork. We interviewed policymakers at different state levels, leaders of large NGOs and local initiatives, residents of the neighbourhoods and entrepreneurs whose businesses are in the area.

1.3 DIVERSITY AND ITS EFFECTS: SOME KEY ARGUMENTS

*Diversity* is defined as the presence or coexistence of a number of specific socio-economic, socio-demographic, ethnic and cultural groups within a certain spatial entity, such as a city or a neighbourhood. In our research, we want to pinpoint how diversity relates to social cohesion, social mobility and entrepreneur performance.

1.3.1 From super-diversity to hyper-diversity

Coined by Steven Vertovec (2007), *super-diversity* refers specifically to Western cities with increasing ethnic diversity as well as the demographic and socioeconomic diversity between and within these ethnic groups. Vertovec (2007: 1024) talks about ‘the dynamic interplay of variables among an increased number of new, small and scattered, multiple-origin, transnationally connected,
socio-economically differentiated and legally stratified immigrants who have arrived over the last decade’. As such, Vertovec recognises the enormous diversity within categories of immigrants.

We go one step further and will use the term *hyper-diversity*. With this term, we will clarify that we should not only look at diversity in ethnic, demographic and socioeconomic terms, but will also look to the differences that exist with respect to lifestyles, attitudes and activities. We will contend that such differences are important, for example, when explaining social cohesion or social mobility. People belonging to the same social or ethnic group may display quite different attitudes with respect to school, work, parents and other groups. They may have very different daily and life routines. Some adolescents and adults may exhibit extensive daily mobility patterns that stretch all over the city and even beyond, while others may remain oriented within their own residential neighbourhood. While the sphere of a native resident’s daily interactions may be restricted to his or her immediate surroundings, the resident’s foreign-born immigrant neighbours may be more mobile with respect to social and professional relations and vice versa.

‘Hyper-diversity refers to an intense diversification of the population, not only in socio-economic, socio-demographic and ethnic terms, but also with respect to lifestyles, attitudes and activities’ (Tasan-Kok et al., 2013: 6). The term makes clear that we should look at urban diversity in a very open way. Hyper-diversity refers to a significantly more complex situation than super-diversity, because the concept contains more variables, which leads to more involved interactions among these variables. The term hyper-diversity account for the fact that, for example, a group of poor, young Indian-born men living in a London neighbourhood may, at first sight, be considered a very homogeneous group. However, at closer range, they may be very heterogeneous: some men in this group may like watching sports on television at home; another part of the group may have intensive contact with their family in India; and a third group may enjoy hanging around at the neighbourhood square, where they mainly interact with native Londoners.

Why should we pay attention to such immense diversification? In our opinion, the implications of recognising hyper-diversity force us to look differently at the possibilities of living together in a city or neighbourhood. Mixing groups within a neighbourhood – for example, in terms of income or ethnic descent – may lead to the physical proximity of these groups, but because they have different lifestyles, attitudes and activities, these people may actually never meet. Policies aimed at traditional categories such as ‘the’ poor or specific ethnic or age groups, without taking into account the immense diversity in such groups or categories, are probably doomed to fail. Policies aimed at improving the social cohesion within neighbourhoods will not work when the population’s hyper-diversity is not considered. Traditional policy frames often stick to stable and sharply delineated population categories or to specific neighbourhoods in a city, and thus ignore the hyper-diversified social reality.

A *hyper-diversified city* contains increasingly changing forms of diversities, – with respect to, for instance, socio-demographic, socio-economic and ethnic aspects, but also regarding lifestyles, attitudes and activities. According to the literature, new forms of diversity are resulting from
many factors, including: increasing net migration and the diversification of countries of origin (Vertovec, 2007); increased level of population mobility (Syrett and Sepulveda, 2011); the dynamic nature of global migration, new social formations in the city and the changing conditions and positions of immigrant and ethnic minority groups in urban society (Vertovec, 2010); transnationally connected, socio-economically differentiated and legally stratified immigrants (Vertovec, 2007); new power and political structures as well as dynamic identities (Cantle, 2012); and the increasing heterogeneity of migration, in terms of countries of origin, ethnic and national groups, religions, languages, migratory channels and legal status (Faist, 2009). Neoliberal deregulation, which has been feeding diversity in particular ways for the last 30 years (through economic globalisation, increasing income inequality, polarisation, segregation, etc.), has contributed to the increasing complexities of urban society.

1.3.2 Diversity and urban governance
Governance can be defined as a process of coordinating actors, social groups and institutions to attain particular goals that have been discussed and defined collectively in fragmented, uncertain environments (Le Galès, 2002). It is expected that the overall success of public policies will be increasingly dependent on partnerships between the public and private sector and that individual citizens and communities will have to take greater responsibility for their own welfare. Traditional government will no longer be willing to fulfil the needs of the present population in general, or those of the increasing diversity of groups in society, more particularly. Urban governance arrangements have to consolidate efforts in relation to physical condition, social and economic situations, and environmental amelioration to achieve a better quality of urban life.

Ostensibly, during the 2000s, urban policy and planning agendas converged in cities across the world, with a move towards what Beck (2002) has termed the individualisation of society, or a 'sub-politics' characterised by less direct forms of state intervention and greater individual and community autonomy. The adversarial class politics of the post-WWII period has been replaced, it is argued, by a new ‘post-politics’ founded on consensus-building, collaboration and a more powerful role for active individuals and communities. For authors such as Beck (2002), Giddens (2002; 2009) and Held (2010), changes are an inevitable consequence of structural social shifts in which individuals and communities no longer identify themselves through the restrictive prisms of class identities or adversarial left/right politics. Questions of governance have become increasingly complex, and governments look for possibilities to tackle the growing divisions between shrinking institutional capacities and a growing diversity in the needs of an increasing diverse population.

The shift to a post-political, communitarian approach to governance raises questions of equality and social justice, as it is by no means clear that reducing the role of state and government institutions necessarily improves either the efficiency or the accountability of governance processes. Devolution and localism can all too easily open the door to new forms of privatisation that may bring more efficiency but at the cost of reduced democratic
accountability and increases in socio-economic inequality (see Boyle, 2011; MacLeod and Jones, 2011; Raco, 2013).

1.3.3 Diversity and social cohesion

In its most general meaning, social cohesion refers to the glue that holds a society together (Maloutas and Malouta, 2004). The concept of social cohesion not only applies to society as a whole, but also to different scale levels (e.g. city, neighbourhood, street) or different types of social systems (e.g. family, organisation, school) (Schuyt, 1997). Kearns and Forrest (2000) identify five domains of social cohesion: common values and a civic culture; social order and social control; social solidarity and reduction in wealth disparities; place attachment and shared identity; and social networks and social capital (we will return to the concept of social capital in the next section).

There is fundamental disagreement among social scientists about the association between diversity and social cohesion. The common belief in significant parts of the social sciences is that despite internal differences, mixed communities can live together in harmony. Finding the balance between diversity and solidarity is not easy, but it is not necessarily an impossible or undesirable mission (Amin, 2002). However, social scientists working in the communitarian tradition, like Putnam (2007), tend to see diversity and heterogeneity as a challenge or even an obstacle to social cohesion and cultural homogeneity, as fundamental sources of social cohesion.

This distinction between optimists and pessimists is also reflected in the literature on social mixing policies (Van Kempen and Bolt, 2009). On the one hand, policy-makers in many European countries see the stimulation of greater mixing across income groups and between ethnic communities as a means of creating more social cohesion (e.g. Graham et al., 2009). On the other hand, many academic researchers tend to emphasise that diversity is often negatively related to cohesion. This conclusion is based on two types of empirical research. First, some studies evaluate social mixing policies (either quantitatively or qualitatively), which usually focus on a small number of neighbourhoods and conclude that social mixing is more likely to weaken than strengthen social cohesion in a neighbourhood (e.g. Bolt and Van Kempen, 2013; Bond et al., 2011). There are hardly any interactions among social groups (e.g. Bretherton and Pleafce, 2011; Joseph et al., 2007). Secondly, there is a highly quantitative research tradition in which the compositional characteristics of neighbourhoods are related to social cohesion. Kearns and Mason (2007) found that a greater diversity of tenure (as a proxy for the social mix) is negatively related to social cohesion.

Although there are many different types of diversity, most attention has been focused on the effects of ethnic diversity, ever since Putnam's publication E pluribus unum (2007). There are divergent theories on the association between ethnic concentration and social cohesion (Gijsberts et al., 2011). According to the homogeneity theory, people prefer to associate with others with similar characteristics. It is therefore expected that people in heterogeneous neighbourhoods tend to have fewer contacts with fellow residents than people in homogeneous
neighbourhoods. According to group conflict theory, people feel threatened by the presence of other groups. There is more distrust towards the out-groups when the numerical presence of these groups is stronger.

Putnam’s (2007) ‘constrict theory’ partly overlaps with conflict theory. He found that higher ethnic diversity in the neighbourhood goes hand in hand with less trust in local politicians. Furthermore, ethnic heterogeneity can negatively affect the number of friends and acquaintances people have and their willingness to do something for the neighbourhood or to work with voluntary organisations. Diversity not only leads to less trust in the so-called out-group, but also to distrust in the in-group. Putnam (2007: 140) concludes: ‘Diversity seems to trigger not in-group/out-group division, but anomie or social isolation. In colloquial language, people living in ethnically diverse settings appear to ‘hunker down’ – that is, to pull in like a turtle’. This idea relates to the notion of a parallel society: people may live close to each other, but this does not necessarily mean that they have any contact with each other or take part in joint activities.

Although part of the academic literature tends to be pessimistic about the level of social cohesion in diverse areas, it should be stressed that there is no reason to assume a mechanistic (negative) association between diversity and cohesion. Contextual differences play a large role in the effects of diversity. Delhay and Newton (2005) have shown that good governance at the regional and national levels positively affects social cohesion and eliminates the (alleged) negative effects of diversity. The effects of diversity may also differ from society to society based on differences in ‘ethnic boundary making’. In the literature on ‘ethnic boundary making’, ethnicity is ‘not preconceived as a matter of relations between pre-defined, fixed groups … but rather as a process of constituting and reconfiguring groups by defining boundaries between them’ (Wimmer, 2013: 1027). This literature aims to offer a more precise analysis of how and why cultural or ethnic diversity matters in some societies or contexts but not in others, and why it is sometimes associated with inequality and ‘thick identities’ but not in other cases. This depends, among other things, on the specific type of boundary making and the degree of ‘social closure’ along cultural-ethnic lines (e.g. Cornell and Hartmann, 1998; Wimmer, 2013).

1.3.4 Diversity and social mobility

Social mobility refers to the possibility of individuals or groups to move upwards or downwards in society, such as with respect to jobs and income (status and power). Social mobility has been defined in many ways, in both narrow and broad senses. Almost all definitions mention the notion of the labour market career. Individuals are socially mobile when they move from one job to another (better) job or from a situation of unemployment to a situation of employment.

In the context of social mobility, it is important to pay some attention to the concept of social capital. In its most simple sense, social capital refers to the possible profit from social contacts (Kleinhans, 2005). It thus provides a link between social cohesion and social mobility. To Bourdieu, social capital is a resource or a power relation that agents achieve through social networks and connections: ‘Social capital is the sum of the resources, actual or virtual, that accrue
to an individual or group by virtue of possessing a durable network of more or less institutionalised relationships of mutual acquaintance and recognition' (Bourdieu and Wacquant, 1992: 119). This definition focuses on the actual network resources individuals or groups possess that help them to achieve a given goal, such as finding a job or a better home. Portes and Rumbaut (2001) draw on Bourdieu's definition of social capital when they specifically talk about immigrants.

The question of how individuals can profit from their social contacts is crucial here. With respect to these contacts, we can think of practical knowledge or important information. The literature makes an important distinction between bonding capital, on the one hand, and bridging capital, on the other hand (Granovetter, 1973; Putnam, 2001). Bonding capital refers to the strong ties within one's social circle (similar others), while bridging capital is about relations outside of one's social circle (weak ties). The latter type of connection is much more likely to deliver important information about opportunities, such as jobs (Granovetter, 1973). In this research project, we see social capital as a resource for social mobility. In other words, this resource can be used as a means of reaching social mobility. Social capital is therefore not seen as being equivalent to social mobility. The concept of social capital does have some overlap with the concept of social cohesion (see above), but while social cohesion can be seen as an outcome of social processes, social capital should be interpreted as a means of reaching a goal; for example, having a good social network can help to find premises in which to start a small business.

The relationship between neighbourhood characteristics and social mobility is central to studies of neighbourhood effects. In many of these studies, the effects of segregation (usually in terms of income or ethnic background) on social mobility have been key, rather than the effects of diversity. Typical questions include (Friedrichs, 1998): Does living in a neighbourhood with a specific type of population limit social mobility? Does living in an ethnic neighbourhood limit integration and assimilation? Do impoverished neighbourhoods have fewer job opportunities for their residents?

Concrete results from research into neighbourhood effects can be given. A study on the effects of income mix in neighbourhoods on adult earnings in Sweden showed that neighbourhood effects do exist but are small (Galster et al., 2008). Urban (2009) found only a small effect of neighbourhoods with children in relation to income and unemployment risks in Stockholm. Brännström and Rojas (2012) also had mixed results with respect to the effect of living in disadvantaged neighbourhoods on education outcomes, in areas with relatively large minority ethnic populations. Gordon and Monastiriotis (2006) found small neighbourhood effects on the educational outcomes of disadvantaged groups. At the same time, they found more substantial positive effects of segregation for middle-class households. The general outcome of such studies is always that personal characteristics are much more important for social mobility than a neighbourhood’s characteristics, at least in European cities.
Why are neighbourhood effects on various aspects of social mobility so small? This can probably be attributed to the fact that the lives of people are not completely organised around their home or their neighbourhood of residence. With increased mobility, better transport and almost unlimited contact possibilities through the internet and mobile devices, people now take part in multiple networks, visiting several places and meeting many people physically and virtually (Van Kempen and Wissink, 2014). People may have contacts all over the city, while (ethnic) groups may form communities all over the world (Zelinsky and Lee, 1998); in the neighbourhood where they are residents; in their home countries, where large parts of their families may still live; and possibly in other regions, to which family members and friends have migrated (Bolt and Van Kempen, 2013).

1.3.5 Diversity and economic performance

When we consider urban studies, we mainly find literature that links the advantages of urban diversity to the city’s economic competitiveness. Fainstein (2005: 4), for example, argues that ‘the competitive advantage of cities, and thus the most promising approach to attaining economic success, lies in enhancing diversity within the society, economic base, and built environment’. From this widely accepted point of view, urban diversity is seen as a vital resource for the prosperity of cities and a potential catalyst for socio-economic development by many others (Bodaar and Rath, 2005; Eraydin et al., 2010; Tasan-Kok and Vranken, 2008). Although some successful entrepreneurs may live in homogenous neighbourhoods, some scholars hold a contrary view and even argue that diversity and economic performance are not positively connected (Alesina and La Ferrara, 2005; Angrist and Kugler, 2003). The general opinion is that diversity has a positive influence on the economic development of cities. Inspired by similar ideas, urban diversity is seen as a characteristic feature of many policy-makers to realise a so-called ‘diversity dividend’, which will increase the city’s competitive advantage (Cully, 2009; Eraydin et al., 2010).

All of these perspectives provide a solid understanding of how diverse communities can contribute to the economic performance of cities. What is less clear is the impact of living or working in a hyper-diversified city or neighbourhood where economic performance affects the individuals and groups living in these areas. In our research, we focus on how individuals and groups perform in the city as entrepreneurs, as we see people’s economic performance as an essential condition for a city’s economic performance. We aim to underline that diverse forms of entrepreneurship positively affect urban economic performance. Furthermore, increasing possibilities to build successful businesses (entrepreneurship) also contribute to the chances of social mobility in the city for diverse groups of people.

However, as Bellini et al. (2008) argue, research at the urban level indicates the existence of positive correlations between diversity and economic performance, and sees cultural diversity as an economic asset (Nathan, 2011). Some of diversity’s positive impacts can be highlighted here:

- Increasing productivity: Ottaviano and Peri (2006) showed that average US-born citizens are more productive (on the basis of wages and rents) in a culturally diversified environment.
As Bellini et al. (2008) show, diversity is positively correlated with *productivity*, as it may increase the variety of goods, services and skills available for consumption, production and innovation (Lazear, 1999; O’Reilly et al., 1998; Ottaviano and Peri, 2006; Berliant and Fujita, 2004). In the same vein, Syrett and Sepulveda (2011) provide an overview of how the urban economy benefits from a diverse population.

- **Increasing chances for networking:** Some scholars (Alesina et al., 2004; Demange and Wooders, 2005) point to the emerging literature on club formations, wherein *ethnic networks* grow from within. According to these researchers, a social mix brings about variety in abilities, experiences, and cultures, which may be productive and lead to innovation and creativity. Saunders’ (2011) work on the arrival city concept is of interest. He argues that some city areas with high levels of social mix provide a better (easier) environment for immigrants to start small businesses, especially to newcomers, due to easy access to information through well-developed networks.

- **Increasing competitive advantage:** Emphasising the rising levels of population diversity, Syrett and Sepulveda (2011) suggest using population diversity as a source of competitive advantage. Other studies highlight diversity as an instrument for increasing the competitive advantage of cities, regions or places (Bellini et al., 2008; Blumenthal et al, 2009; Eraydin et al., 2010; Nathan, 2011; Sepulveda et al., 2011; Thomas and Darnton, 2006). The common argument of these studies is that areas that are open to diversity are able to attract a wider range of talent (in terms of nationality, race, ethnicity and sexual orientation) than those that are relatively closed. As a result, they are more likely to have a dynamic economy due to their creative, innovative and entrepreneurial capacities, compared to more homogenous cities (see also Scott, 2006).

- **Increasing socio-economic well-being:** A number of studies have pinpointed the positive contribution of urban diversity to the socio-economic well-being of mixed neighbourhoods (Kloosterman and van der Leun, 1999; Kloosterman and Rath, 2001). In fact, proximity to mixed neighbourhoods seems to be a locus for networking and for fostering social capital (Kloosterman and Rath, 2001). ‘Attractive’ and safe living environments, ‘good’ and appealing amenities, pleasant dwellings and a ‘nice’ population composition can be crucial factors to attract and bind entrepreneurs to a city or neighbourhood (Van Kempen, 2006).

### 1.4 THE OUTLINE OF THIS BOOK

In chapter 2, we will show how the City of Zurich is diverse, with a particular focus on the case study area: Districts 4 and 9. The chapter describes the spatial context of the study and gives an overview of the socio-demographic, socio-cultural and socio-economic characteristics of the city and the case study area. Thereby, it provides the basis for the empirical investigations and analyses in the subsequent chapters.

Chapter 3 explores the policy discourses on the concept of diversity. What are the main policies dealing with diversity in Switzerland and in the City of Zurich? Do the policy discourses
perceive the population’s diversity as positive or negative? Are there significant differences between the state levels? How are non-governmental actors addressing urban diversity?

In chapter 4, we turn to the residents of our diverse case study area. We aim to find out why residents moved to the area and if the area’s diversity was a decisive factor. The chapter discusses how the residents perceive urban diversity and how they use the diversified neighbourhood. Are their activities and social contacts mainly inside or outside of the area? Does living in their neighbourhood help or hinder them, in terms of social mobility? How does urban diversity affect the social cohesion in the surveyed neighbourhoods?

In chapter 5, our attention turns to the entrepreneurs in the area. Has the area’s diversity been a motivator to start enterprises in this area? How do the entrepreneurs profit from diversity? Do they have a diverse clientele? How can beneficial conditions for local enterprises also enhance social mobility for different groups of people?

We conclude with chapter 6, where we will answer the question of whether urban diversity may be seen as an asset or if it is instead perceived as a liability. We will formulate recommendations for policy makers and other stakeholders who deal with diversity and diverse urban areas. How can they use our results?
2 ZURICH AS A DIVERSE CITY

2.1 INTRODUCTION

To investigate how urban diversity affects social cohesion, social mobility and economic performance in our study area – the City of Zurich and especially the Districts 4 and 9 – we first need reliable data regarding the ethno-cultural, socio-demographic and socio-economic dimensions of diversity in this area. How is the population of the City of Zurich composed? Which ethnic groups are especially prominent in the city, and in which neighbourhoods do they live? What is the socio-demographic profile of our study area? What about the composition of the city's labour force and the most important industries?

This chapter describes the study's spatial context and gives an overview on the socio-demographic, socio-cultural and socio-economic patterns in the City of Zurich, with a particular focus on Districts 4 and 9. Thereby, it lays the basis for the empirical investigations and analyses in the subsequent chapters.

The chapter is structured along four sections. Following this brief introduction, the second section geographically locates our research by giving an overview of Switzerland's political system, presenting the City of Zurich and describing our case study area. The third section addresses the diversity of Zurich by presenting its diverse population in ethno-cultural, socio-demographic and socio-economic terms, and depicting the socio-spatial and economic dynamics associated with this diversity. The fourth section then concludes the chapter by approaching the challenges and opportunities of Zurich as a diverse city.

2.2 LOCATING OUR RESEARCH

2.2.1 The political system of Switzerland

Founded in 1848, Switzerland today counts approximately 8.3 million inhabitants and extends over four linguistic regions (Federal Statistical Office, 2015a). The Swiss polity is a three-tier federal system, composed of the national state (the confederation), 26 federated states (cantons) and around 2,600 municipalities. The Swiss political system is based on the three institutional pillars of federalism, consensus democracy and direct democracy.

Switzerland is a strong federal country where intergovernmental relations are characterised by a traditionally strong position for the cantons. The implementation of federal policies is left to
cantons and communes, whereby the cantons act as intermediaries between the confederation and communes (Kübler and Ladner, 2003: 141). Policies relating to societal diversity – such as migration, integration, education and spatial development – are mainly the responsibility of the cantons. However, the confederation often influences the implementation of policies by establishing overarching policy strategies, shaping incentive structures and providing technical expertise to foster the diffusion of ‘best practices’ and to advance stronger harmonisation among cantonal legislation. Swiss policy-making therefore depends on extensive cooperation among all three state levels, which has led to a high degree of interlocking politics (Politikverflechtung, s. Hesse, 1978; Scharpf, 1994). With the revision of the Federal Constitution in 1999, one article was amended to add weight and authority to cities and metropolitan areas as well as their specific problems and needs (Art. 50 Para. 3). This article was the basis for stronger strategic engagement by the confederation regarding urban policies and the establishment of new structures for vertical cooperation among the confederation, cantons and cities, such as the ‘Tripartite Conference on Agglomerations’.

According to the typology by Lijphart (1999), Switzerland is a typical consensus system, which stresses power sharing on the basis of a broad coalition cabinet, a proportional electoral system, a multiparty system, federal and decentralised government, and strong bicameralism. Politicians are therefore used to sharing power with different and diverse groups from society and the business world. The Swiss system of government is neither presidential nor parliamentary, but consists of a combination of presidential and parliamentary elements (ibid.: 119). At the local level, the presidential form of government clearly outweighs the parliamentary form, since the people directly elect the executive.

A further important feature of the Swiss political system is its provision of extensive direct democratic instruments, such as popular initiatives and referenda. Direct democratic institutions have been established at all three state levels. Despite the comprehensive provision of already elaborate direct democratic instruments, citizen involvement in decision-making processes is still increasing, especially at the local level. Newly implemented instruments comprise, for example, the extension of the already existing instruments, the organisation of information events for the public and the inclusion of citizens in planning community projects (Ladner et al., 2000).

2.2.2 The City of Zurich
Zurich is Switzerland’s largest city, with a current resident population of 404,783, while stretching over only 92 km² (City of Zurich, 2015). It is located in north-central Switzerland, at the north-western tip of Lake Zurich. The history of Zurich, which has been permanently settled for around 2,000 years, goes back to its founding by the Romans. Before 1893, the city’s boundaries were more or less synonymous with the location of the old town. Then, two large expansions took place in 1893 and 1934, when the city was merged with many surrounding communes. Today, the city is divided into 12 districts, each one of which may contain between one and four neighbourhoods.
Zurich is a highly diverse city, in terms of its residents: 31.9% of the city’s population are foreign nationals (City of Zurich, 2015) who came from 169 nations (City of Zurich, 2014). 38.8% of Zurich’s residents were born abroad, and 60.6% of residents over 15 years have a migration background (i.e. they were either born abroad or have at least one parent who was born abroad) (City of Zurich, 2012a). Hence, Zurich is a melting pot of different cultures, languages and religions. Diversity is a reality, as a matter of course, and has shaped city life for several decades.

Zurich is among the world’s largest financial centres. Swiss banks manage about a third of the world’s cross-border invested assets, and over a third of Swiss banks have their registered offices in Zurich’s economic area. The city is also the third-largest insurance market in the world, and this enormous strength of the financial sector is fundamentally important to Zurich. Around 40% of the city’s economic potential comes from its financial sector, with the banks being significant employers and generating work for service companies (City of Zurich, 2012b). By far the most important sector in the City of Zurich’s economy is the tertiary sector, which employs over 90% of workers (City of Zurich, 2015).

Zurich is governed by a stable left majority in the city’s political executive body. Although the right-wing conservative Swiss People’s Party has made gains in the City of Zurich in recent years and now makes up the second-largest party in parliament after the Social Democratic Party, it often has difficulty gaining a majority on issues (City of Zurich, 2015; Statistics Office of the City of Zurich, 2013).

2.2.3 The case study area: City Districts 4 and 9

Our case study area involves the neighbouring Districts 4 and 9 of the City of Zurich (see figure 2.1). It was selected due to its ethnically very diverse environment, its dynamic character and its varied neighbourhoods. The area stretches over 15 km², what represents 16.3% of the total surface of the City of Zurich, and it has approximately 80,000 inhabitants, what constitutes 19.6% of the total population of the city. The share of foreign nationals amounts to 39.2% in District 4 and 31.7% in District 9 – compared to a share of 31.9% in the whole city (City of Zurich, 2015).

District 4, known as ‘Aussersihl’, lies in the middle of the city, between the Sihl River and the train tracks leaving Zurich Railway Station. It borders downtown District 1 in the west. District 4 was built up during the 18th century and quickly grew into a town during industrialisation, when it was mostly inhabited by factory workers. It was incorporated into the Zurich municipality in 1893. The district’s history is closely linked to the history of the labour movement in the City of Zurich, such as by the establishment of the People’s House in the district (City of Zurich, 2015). Today, District 4 is a densely populated urban quarter with an ethnically diverse population and a manifold mix of uses. However, the area has undergone some significant changes in the last years, and gentrification processes are currently taking place.
District 4 contains the three neighbourhoods of Werd, Hard and Langstrasse. *Werd* is the smallest neighbourhood in the south of District 4, and is a popular residential and commercial area.

*Hard* is a former working-class neighbourhood and still shows a high share of social housing. It is characterised by dense 19\textsuperscript{th}-century block structures – striking features include the four skyscrapers of Hardau and the housing estate of Lochergut (City of Zurich, 2015). Compared to the rest of the district, it is a rather residential area.

The *Langstrasse* area is a well-known neighbourhood of Zurich, as one of the liveliest places in the city; it is present in media and a subject of discussions. In the 1960s, the ‘Langstrasse’ – the street after which the neighbourhood is named – was known as the ‘Bahnhofstrasse of the Italians’ – referring to the main shopping street in District 1 (City of Zurich, 2015). Hence, the Langstrasse neighbourhood has always been a place where foreigners from all over the world arrived first. Today, the quarter is notorious for its high quota of foreign nationals, prostitution and drug dealing, but it is also a very popular nightlife area. In the last several years, however, the red-light district has become more and more displaced, and the area has
partly been gentrified – which the City of Zurich has also pushed with the ‘Langstrasse PLUS’ project running from 2001 to 2010. Thereby, the city set up a coordination unit in the police department, with the mandate to prevent the emergence of an open drug scene and curb the prostitution in the neighbourhood.

District 9 is located in the west of the city, between the Limmat River to the north and Üetliberg Mountain to the south. It borders District 4 in the west. District 9 is officially divided into the two neighbourhoods of Altstetten and Albisrieden. Both entities were formerly small farming villages and municipalities of their own, but were incorporated into the Zurich Municipality in 1934. While the rural settlement structures in Altstetten have mainly disappeared, the old village centre of Albisrieden is still preserved. Due to its good transport connections, the valley floor in District 9 became increasingly overbuilt with industrial facilities in the first half of the 20th century (City of Zurich, 2015). Since the Second World War, residential construction on the hillside has permanently been on the rise.
Altstetten is the largest and most populous neighbourhood in the city. It is characterised, on the one hand, by numerous industrial and service enterprises and several big corporations in the lower-lying areas, and on the other hand, by broad residential areas on the hillside. Furthermore, it is an ethnically diverse neighbourhood with a comparably high percentage of foreign nationals of 35.4% and a high quota of social housing (City of Zurich, 2015). The area of Grünau – officially part of Altstetten – is sometimes considered as ‘district within the district’, as it is separated from the rest of Altstetten by railway tracks and the motorway (ibid.).

Albisrieden, located in the south of District 9, in the foothills of Üetliberg Mountain, has still preserved its rural character. The former farming village is mostly a quiet residential area, with a high share of social housing, and provides many green and open spaces.

2.3 DIVERSE-CITY ZURICH

2.3.1 Ethno-cultural diversity in Zurich
Switzerland has a comparably high foreign-resident population of 23.8% and is an immigration country: since the Second World War, approximately two million people have immigrated to Switzerland or live there as descendants of immigrants (Round-Table Migration, 2011). A

![Figure 2.6 Population development in the City of Zurich, 1950-2014](image-url)
quarter of the current population thus immigrated since 1945 or has at least one parent who came from a foreign country (TAK, 2005). Migration has thus enhanced the population growth in Switzerland more strongly than in other immigration countries like Canada and the US.

In the City of Zurich, we see a similar pattern with respect to immigration and population growth: there is a high resident foreign population of 31.9% (City of Zurich, 2015), and the annual growth rate of the foreign resident population is 13.2%, compared with 5.9% among the Swiss population (Statistics Office of the City of Zurich, 2013). Figure 2.6 shows the development of the total population and the share of the foreign population between 1950 and 2014 in the City of Zurich.

Switzerland has witnessed different waves of immigration since the Second World War. The strong economic development after the war stimulated the demand for foreign employees, especially from Italy. In the 1970s, the oil crisis then led to a decreased number of foreign workers, but as the economic situation recovered, new seasonal workers were recruited from Spain, Portugal and Turkey (D’Amato, 2008). In the 1990s, Switzerland experienced a new, substantial wave of immigration: a comparably high number of refugees and immigrants from the countries of former Yugoslavia arrived. With the beginning of the 21st century and the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland, immigration changed: a substantial part of the foreign population in Switzerland is now well trained and highly qualified, and has mainly come from Germany. Hence, we can roughly distinguish between four different waves of immigration:

• First wave: immigrants from Italy who arrived from the 1950s to the 1980s
• Second wave: immigrants from Mediterranean countries (mainly Spain, Portugal and Turkey) who arrived from the 1970s to the 1980s
• Third wave: immigrants from the countries of former Yugoslavia who mainly arrived during the 1990s
• Fourth wave: immigrants from the European Union (mainly Germany) who arrived in Switzerland since the beginning of the 21st century

Table 2.1 presents the share of foreign nationals belonging to the above-mentioned four waves of immigration – in relation to the total foreign population – for Switzerland, the City of Zurich and our case study area. It has to be noted, however, that most of the immigrants and their descendants from the first two waves of labour migration hold Swiss citizenship.

As the table shows, the fourth wave has been extremely pronounced in the City of Zurich, in comparison with the whole country. German nationals represent the largest foreign nationality by far, with a share of 25.4%, and constitute the so-called ‘new migration’ of highly qualified immigrants. By contrast, the first, second and third waves have been considerably weaker in Zurich, compared with the national figures. These numbers clearly demonstrate that the City of Zurich, with its large service industry and its important financial sector, particularly needs highly qualified professionals.
The share of foreign nationals in the case study area amounts to 34.4%, which is several percentage points above the city’s average. Compared to the city as a whole, the first and second waves of immigrants are significantly overrepresented, while the fourth wave has been clearly less pronounced. These results are not surprising, since many quarters in our case study area have always been typical working-class neighbourhoods, where the immigrants – mainly from Italy, Portugal, Spain and Turkey, who predominantly work on construction sites, in agriculture or in tourism – settled down between the years 1950 and 1980.

Figure 2.7 displays the development of these waves of immigration for the City of Zurich between the years 1993 and 2014. Here, we recognise the same pattern as described for Switzerland as a whole: the steeply increasing share of German nationals since the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland at the beginning of the 21st century, the peak time of immigration from the countries of former Yugoslavia in 1999 and the shrinking shares of the first two waves of labour immigration. Unfortunately, due to missing data before 1993, we can only show an incomplete figure of the first two waves of immigration for the City of Zurich.

![Figure 2.7](image-url)

**Table 2.1** Breakdown of the resident population by origin, 2014

<table>
<thead>
<tr>
<th></th>
<th>Switzerland</th>
<th>Zurich</th>
<th>Districts 4 and 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>8,139,631</td>
<td>404,783</td>
<td>79,330</td>
</tr>
<tr>
<td>Share of foreign nationals (%)</td>
<td>23.8</td>
<td>31.9</td>
<td>34.4</td>
</tr>
<tr>
<td>Share of foreign nationals in relation to the total foreign population (%)</td>
<td>First wave (Italy)</td>
<td>15.4</td>
<td>10.9</td>
</tr>
<tr>
<td></td>
<td>Second wave (Portugal, Spain, Turkey)</td>
<td>20.6</td>
<td>14.1</td>
</tr>
<tr>
<td></td>
<td>Third wave (the countries of former Yugoslavia)</td>
<td>16.0</td>
<td>9.1</td>
</tr>
<tr>
<td></td>
<td>Fourth wave (Germany)</td>
<td>15.1</td>
<td>25.4</td>
</tr>
</tbody>
</table>

The share of foreign nationals in the case study area amounts to 34.4%, which is several percentage points above the city’s average. Compared to the city as a whole, the first and second waves of immigrants are significantly overrepresented, while the fourth wave has been clearly less pronounced. These results are not surprising, since many quarters in our case study area have always been typical working-class neighbourhoods, where the immigrants – mainly from Italy, Portugal, Spain and Turkey, who predominantly work on construction sites, in agriculture or in tourism – settled down between the years 1950 and 1980.

Figure 2.7 displays the development of these waves of immigration for the City of Zurich between the years 1993 and 2014. Here, we recognise the same pattern as described for Switzerland as a whole: the steeply increasing share of German nationals since the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland at the beginning of the 21st century, the peak time of immigration from the countries of former Yugoslavia in 1999 and the shrinking shares of the first two waves of labour immigration. Unfortunately, due to missing data before 1993, we can only show an incomplete figure of the first two waves of immigration for the City of Zurich.
2.3.2 Socio-demographic diversity in Zurich
With respect to the socio-demographic attributes of Switzerland’s population, we have the variables of gender and age available to describe and compare the inhabitants of our case study area, the City of Zurich and the whole country (see table 2.2.). The proportion of women amounts to 50.6% in Switzerland and to 50.3% in Zurich, while the share of women in Districts 4 and 9 is somewhat lower, at 48.9%. A possible explanation for this lower value is that in our case study area, the share of elderly people – among which women are overrepresented – is slightly below the city’s average.

Regarding the different age groups, table 2.2 impressively shows that younger inhabitants aged between 20 and 39 years are strongly overrepresented in the City of Zurich, compared to in Switzerland as a whole, with 37.8% of all of the city’s inhabitants belonging to this age group. On the other hand, children and persons older than 40 years are less represented in the city. Obviously, the figures prove that, to a large extent, young people from abroad or from other parts of Switzerland come to work or study in the City of Zurich. This pattern is even more pronounced in the selected case study area, with nearly 40% of all inhabitants belonging to this age group.

If we additionally break down the variables of gender and age by nationality, we get an even more impressive picture (see figure 2.8, page 28). The graph gives a clear impression of the steady labour migration to the City of Zurich. It explicitly shows that younger people between 25 and 40 years are overrepresented, which particularly applies to the group of foreign citizens. In both groups, furthermore, the birth rate has considerably increased over the last several years.

<table>
<thead>
<tr>
<th>Age groups (%)</th>
<th>Switzerland</th>
<th>Zurich</th>
<th>Districts 4 and 9</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 19 years</td>
<td>20.3</td>
<td>16.2</td>
<td>14.6</td>
</tr>
<tr>
<td>20 – 39 years</td>
<td>26.7</td>
<td>37.8</td>
<td>39.4</td>
</tr>
<tr>
<td>40 – 64 years</td>
<td>35.4</td>
<td>30.9</td>
<td>31.0</td>
</tr>
<tr>
<td>65 and older</td>
<td>17.6</td>
<td>15.2</td>
<td>15.0</td>
</tr>
</tbody>
</table>

2.3.3 Socio-economic diversity in Zurich
The average level of education in the City of Zurich has increased strongly over the last 30 years (Statistics Office of the City of Zurich, 2004). The share of persons with tertiary education has nearly doubled since 1970; on the other hand, the number of people with secondary education has decreased (ibid.). The percentage of people with primary education has remained constant. Finally, the proportion of persons without school education has risen over the last years, but has generally remained very low (ibid.).
Table 2.3 shows the highest level of education in Switzerland and the City of Zurich, distinguishing among the three levels of primary education, secondary and vocational education as well as tertiary and higher vocational education. Unfortunately, these figures are not separately available for the individual city districts, so we do not have data for our case study area.

According to the figures, the City of Zurich has a very high number of very well educated persons: 46%, compared to the average percentage of 39% in Switzerland as a whole. This high share is in line with the earlier remark that the city needs highly qualified professionals for its large service industry and important financial sector. Persons with secondary education, on the other hand, are considerably less represented in the City of Zurich. The share of people with primary education, lastly, is some percentage points above the national average.

Figure 2.9 breaks down the levels of education in the City of Zurich by gender and nationality. Again, it only includes people of working age between 25 and 64 years.

<table>
<thead>
<tr>
<th>Table 2.3</th>
<th>Breakdown of the resident population by education, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highest level of education (in %) (persons between 25 and 64 years)</td>
<td>Switzerland(^{19})</td>
</tr>
<tr>
<td>Primary education</td>
<td>12.8</td>
</tr>
<tr>
<td>Secondary education/vocational education</td>
<td>48.2</td>
</tr>
<tr>
<td>Tertiary education/higher vocational education</td>
<td>39.0</td>
</tr>
</tbody>
</table>
The figure impressively illustrates the strong presence of highly qualified immigrants. Half of the foreign citizens in the City of Zurich have tertiary or higher vocational education. Furthermore, the graph shows that women in general are less well educated than men. They have secondary or vocational education outstandingly often, frequently in the health or education sectors. However, the differences between men and women have decreased over time and are beginning to level out (Federal Statistical Office, 2015c). Today, young women pursue higher education considerably more often than they had in the past. The choice of the field of study, however, is still rather gender-specific (ibid.).

2.3.4 Socio-spatial dynamics of diversity in Zurich

By definition, our case study area – City Districts 4 and 9 – is ethnically very diverse and dynamic (see the description in chapter 2.2.3). However, the five represented neighbourhoods – Werd, Hard and Langstrasse in District 4 and Altstetten and Albisrieden in District 9 – show very individual characteristics.

Regarding ethno-cultural diversity, the case study area as a whole has a proportion of foreign nationals of 34.4%, which is several percentage points above the city’s average of 31.9%. The first and second waves of migration have been especially pronounced in the area: these immigrants – mainly from Italy, Portugal, Spain and Turkey – predominantly settled in the typical working-class neighbourhoods, like Langstrasse and Hard. For instance, the share of immigrants from the second wave of migration amounts to 27.2% in the Hard area, compared to 14.1% in the city as a whole. Persons from countries of the former Yugoslavia who arrived with the third wave of migration, mainly in the 1990s, prefer neighbourhoods with affordable flats for families, such as the neighbourhoods of Hard and Altstetten in our case study area. In Altstetten, the proportion of the third wave of migration amounts to 13.4%, compared to
9.1% in the city as a whole. The fourth wave of migration has generally been very pronounced in the City of Zurich, with a 25.4% share of German nationals. In our case study area, the neighbourhood of Werd had the highest share, with 29.6%. These often highly qualified immigrants are predominantly present in ‘better’ residential locations like District 1, areas on the shore of Lake Zurich or on the slope of Zürichberg Mountain – neighbourhoods where the proportions of Swiss nationals are above average as well (Statistics Office of the City of Zurich, 2004).

With respect to socio-demographic diversity, Albisrieden is clearly the ‘oldest’ neighbourhood in our case study area: 21.1% of the population is 65 years and older, compared to a proportion of 15.2% in the city as a whole. This result is not very surprising, given that Albisrieden is mostly a quiet residential area that has still preserved its rural character. As expected, comparably, most children reside in Altstetten, which has rather affordable and larger flats for families, and 6.6% of the inhabitants there are younger than twenty years old. The Langstrasse area, finally, is where the young people live: 51.7% of the residents are between 20 and 39 years old, compared with a proportion of 37.8% in the city as a whole.

The socio-economic diversity in the City of Zurich is highly correlated with its ethno-cultural diversity, with reference to the date of immigration. Since the conclusion of the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland at the beginning of the 21st century, a substantial proportion of the immigrants is very well educated. This new migration pattern is especially pronounced in larger cities, whose vast tertiary sectors rely on highly qualified professionals. In the City of Zurich, this fourth wave of migration has mostly consisted of German nationals. Therefore, in ‘better’ residential locations like the city centre, the lakeside and the hillside, where comparably large proportions of residents have tertiary or higher vocational education, the shares of German and Swiss nationals are equally above average (Statistics Office of the City of Zurich, 2004). On the other hand, many neighbourhoods in our case study area, like Langstrasse, Hard and Altstetten, show a comparably low percentage of well-educated persons and a higher share of inhabitants without school education. In these neighbourhoods, the first three waves of migration have been exceedingly pronounced (ibid.).

2.3.5 Diversity, economic dynamics and entrepreneurship in Zurich

Zurich is Switzerland’s undisputed service capital: nearly one of nine Swiss jobs in this sector is based in the City of Zurich (Statistics Office of the City of Zurich, 2013). Of the 450,561 people who worked in Zurich in the year 2012, 92.8% are employed in the tertiary sector (City of Zurich, 2013). These figures clearly illustrate the city’s high demand for skilled professionals in the service industry (see table 2.4). Furthermore, the number of workplaces in the city has steadily and substantively increased over the past years, which can mainly be attributed to growth in the tertiary sector.

Another defining characteristic of Zurich’s economy is the sizable number of small businesses, which represent the typical corporate structure: around 88% of the city’s workplaces have
no more than nine full-time employees. Also, only 128 large companies have 250 or more employees, which corresponds to only 0.5% of all workplaces (Statistics Office of the City of Zurich, 2013).

In our case study area, the share of workplaces in the tertiary sector is somewhat lower than in the city as a whole, and the secondary sector is a little stronger. Most companies and employees are located in the neighbourhoods of Langstrasse and Altstetten.

Regarding the development of Zurich’s labour force, employment in full-time equivalents has increased by 16.6% from 2003 to 2014 (see figure 2.10). Most of the newly created jobs are located in the services sector.

In the year 2012, 45.7% of the labour force was women. Their places of employment are significantly more frequently located in the tertiary sector, in comparison with their male employees. Thereby, working part-time is not more common in the City of Zurich than in

![Figure 2.10](image-url) Development of the labour force in the City of Zurich, 2003-2014 (full-time equivalents in 1,000)
other parts of the country – one in three positions in the city is a part-time job. However, the
gender-specific composition of the labour force differs: while 51% of the women and 20% of
the men in Zurich work part-time, only 14% of the men but 55% of the women in the whole
country have part-time jobs (City of Zurich, 2015). Therefore, Zurich is also Switzerland’s
capital of men working part-time and women working full-time.

Finally, the share of unemployed persons in the City of Zurich was 4% at the end of the year 2014 (City of Zurich, 2015). Thereby, the share of foreign nationals among unemployed persons is substantially higher than that of Swiss nationals, compared to their total populations.

One of three jobs in Swiss financial services and one of five jobs in the insurance sector are located in the City of Zurich (City of Zurich, 2012b). The financial sector’s strength is extremely important for Zurich, since it provides around 40% of the city’s economic potential (ibid.). Yet, only 19% of the working population are employed in the banking and insurance sectors (see table 2.5). Further important sectors involve the provision of services for companies, the health and welfare sector, hospitality and transportation, as well as the creative economy.

| Important sectors (% of working population) | Banking and insurance sectors | 19% |
| Services for companies | 15% |
| Health and welfare | 10% |
| Hospitality and transportation | 10% |
| Creative economy | 9% |

2.4 CONCLUSIONS:
CHALLENGES AND OPPORTUNITIES OF ZURICH AS A DIVERSE CITY

The statistical overview presented shows that Zurich is a very diverse city with a high resident foreign population of 31.9% (City of Zurich, 2015). Interestingly, the three dimensions of ethno-cultural, socio-demographic and socio-economic diversity seem to be strongly correlated. Ethno-cultural diversity, for instance, is clearly connected with the variable ‘age’, since the steady labour migration to Zurich has consisted, to a large extent, younger people between 25 and 40 years old. Additionally, there are very few foreign nationals in the City of Zurich who are aged 65 years and older. The relation among nationality and the level of education is equally strong: Half of the foreign citizens in the City of Zurich have tertiary or higher vocational education. Thereby, there is a significant correlation between the level of education and the previously defined waves of immigration. Since the beginning of the new century, Zurich witnessed strong immigration from countries of the European Union, especially from Germany. These newly arriving persons are often well educated and highly qualified – in contrast to earlier
waves of immigration, when the Swiss economy mainly needed workers for construction sites, agriculture or tourism. These figures demonstrate that today, the vast tertiary sector in the City of Zurich is predominantly reliant on highly qualified professionals. During the last 10 years, the labour market in the city – and especially the service industry and the financial sector – has been constantly growing, which created a considerable demand for skilled labour.

Regarding the socio-spatial dynamics of diversity in the City of Zurich, immigrants from different countries are not equally distributed among the city districts. Some ethnic groups are more present in particular neighbourhoods, depending on their social status and financial means as well as the history of the different quarters. However, we do not see separated immigrant enclaves or a strong ethnic residential concentration. Social and ethnic segregation are not particularly high within the city. However, in the metropolitan area of Zurich as a whole, we see significant social disparities among the core city, the poorer suburbs and the more distant low-density suburbs (Kübler and Scheuss, 2005). The ongoing processes of gentrification in the City of Zurich – for instance, the current developments in the neighbourhood of the Langstrasse – may additionally be fuelling this polarisation. When higher rents in the city force poorer people to move to the suburbs, the social and ethnic segregation within the metropolitan area will increase – which is certainly not politically or socially desirable.
3 POLICY DISCOURSES ON DIVERSITY

3.1 INTRODUCTION

To approach the issue of increasing diversification of the urban population in socio-economic, social and ethnic terms, but also with respect to lifestyles, attitudes and activities, we now explore the policy discourses on the concept of ‘diversity’. What are the main policies dealing with diversity in Switzerland? How are policy discourses framed? Do they perceive the augmenting diversification of the population as a positive or negative development? Are there significant differences between the state levels? And how are non-governmental actors addressing urban diversity?

The main objective of the present chapter is to explore the conceptions and understandings of diversity while critically deconstructing and assessing the core policy strategies and programmes that are associated with the discourse on diversity at the different state levels. Through the review and the critical analysis of key public policies, the principal discourses on diversity shall be uncovered and reflected. Thereby, it is explored whether diversity is perceived in a positive or a negative way, which aspects of diversity are highlighted or addressed, if there is a significant discrepancy between the different state levels regarding the use and the perception of diversity, and what implications the understanding and the interpretation of diversity have on the outcomes of the investigated policies. To complement the analysis on the prevalent discourses on diversity, a further focus of this chapter is laid on the perspectives of non-governmental actors and smaller initiatives dealing with urban diversity.

In Switzerland, there is no explicit policy strategy on diversity, but the term is certainly used in political practice. The concept of diversity has its closest connection to the field of integration policy and is of further relevance for public community work and urban housing policy. Therefore, the use of the concept of diversity in Switzerland mainly relates to cultural and ethnic aspects as well as to immigration issues. The present chapter thus focuses on these policy fields and investigates the main discourses on diversity therein.

The main results of the analysis regarding the policy discourse on diversity are threefold:
• First, the focus of the debate lies on cultural and ethnic aspects of diversity, which carries the danger of neglecting socio-economic inequalities in society. Socio-economic diversity is arguably far more relevant and challenging with respect to the three overarching objectives investigated by the DIVERCITIES project: strengthening social cohesion, boosting economic performance and enhancing social mobility.
• Secondly, there is a clear emphasis on discourse about the integration of immigrants into the labour market and their contribution to the economy. Immigration per se is mainly perceived as positive, but cultural diversity is often seen in economic terms only, which does not necessarily contribute to a better social integration of immigrants.

• Thirdly, regarding the understanding and the use of the concept of diversity, there are clear ideological differences between the City of Zurich and higher state levels on the one hand and between governmental and non-governmental actors on the other hand. The City of Zurich frequently uses the term ‘diversity’ – in contrast to the national and the cantonal policy – and it does so in a more open, comprehensive and positive manner. Similarly to the city authorities, non-governmental actors operating in this area also have a very positive and pluralist understanding of diversity. However, instead of the one-sided concept of ‘integration’ that is utilised by the public authorities in Switzerland, they often use terms such as ‘interculturalism’ and ‘inclusion’, arguing that immigrants should be met on an equal footing and that emphasis should be placed on spaces of encounter.

The chapter is structured into six sections. Following this brief introduction, the second section presents the research methods. In the third section, the policy approaches towards diversity at national and cantonal levels are outlined, and the forth section provides an analysis of governmental discourses and policy strategies related to diversity in the City of Zurich. Section five reviews the non-governmental perspectives on integration policy and diversity, distinguishing between larger organisations and smaller bottom-up initiatives dealing with diversity in Zurich. Finally, the conclusions are set out in section six.

3.2 METHODOLOGY

The research is based on a qualitative approach and involves documentary analysis, semi-structured interviews and a round-table talk. The documentary analysis drew on relevant legal documents, strategy papers, annual reports and results of earlier research on the topic. Interviews were conducted with selected relevant actors from different levels of the public administration responsible for integration policy or other diversity-related matters, as well as with representatives of non-governmental organisations and bottom-up initiatives in the field of diversity and integration policy. Additionally, a round-table talk with representatives of the selected initiatives was organised to validate the results of the analysis. The fieldwork was carried out from August until October 2013 and from February until April 2014.

3.3 POLICY APPROACHES TOWARDS DIVERSITY AT THE NATIONAL AND CANTONAL LEVELS

In Switzerland, there are no policy strategies that are explicitly addressing ‘diversity’. Its German equivalent ‘Vielfalt’ is sometimes used in mission statements or concepts, but it does not
have political relevance. The term under which a certain discourse on diversity takes place is ‘integration’, which will be the focus of this chapter. In the field of integration policy, we find some preoccupation with diversity issues, although to varying degrees, depending on the state level. The discourse on diversity thus mainly tackles cultural and ethnic issues.

3.3.1 Immigration in Switzerland

Because of its linguistic diversity, Switzerland is often considered a multi-national state or a ‘nation of will’ in which different ethnic groups live peacefully together. Although Switzerland is proud of its multi-cultural roots, it is also quite defensive regarding immigration and has established a rather restrictive naturalisation policy. Switzerland belongs to the jus-sanguinis group, where citizenship is traditionally transmitted by inheritance. In such countries, immigrants’ access to nationality is more difficult than in jus-soli countries such as France, where nationality is bound to the soil on which a person is born (Manatschal, 2011).

In line with this difference, the design and character of integration policies differ between German-speaking and French-speaking cantons. The former are assumed to be influenced by Germany’s jus sanguinis tradition, exhibiting more restrictive integration policies than the latter, which are expected to be influenced by France’s more inclusive jus soli understanding of citizenship (ibid.). The integration regime in the Canton of Zurich can be located in the centre of a scale ranging between very restrictive and very liberal types (ibid.).

In the previous chapter, it has been shown that Switzerland is an immigration country and experienced different waves of immigration. The first wave involved immigrants from Italy that arrived during the period from the 1950s to the 1980s. For most of these migrants, the Swiss government provided only a temporary residence permit for so-called seasonal workers or migrant workers (D’Amato, 2008). Although foreign employees strongly contributed to the economic development and the growing prosperity in Switzerland, their rapid increase provoked the first defensive reactions in the Swiss population. As the economic boom lasted for many years, the conditions for migrant workers have been improved in the 1960s due to the continuously rising labour demand and the socio-political claims of the countries of origin (ibid.). In the 1970s, the oil crisis led to a decrease in the number of foreign workers. But as the economic situation recovered, new seasonal workers were recruited from Spain, Portugal and Turkey (ibid.), creating the second wave of immigration. In the 1990s, with the third wave of immigration, Switzerland then witnessed comparably high numbers of immigrants from the countries of former Yugoslavia. With the beginning of the 21st century and the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland, immigration has changed: a substantial part of the foreign population in Switzerland is now well trained and highly qualified, representing the fourth and so far last wave. Immigration today is thus very heterogeneous and differs across cantons and cities.
3.3.2 Political discourse on immigration and integration

One of the most influential political discourses regarding immigration during the last decades emphasises that excessive numbers of foreigners threaten Swiss identity (Riaño and Wastl-Walter, 2006). In the 1990s, right-wing parties started running anti-immigration campaigns and propagandised against the relaxation of conditions for the naturalisation of foreigners and especially fanning fears regarding the Muslim population in Switzerland.

In November 2009, the Swiss people and cantons voted in favour of the popular initiative entitled ‘Against the Construction of Minarets’. In doing so, they also voiced their approval of a new provision in the Swiss Constitution: ‘The construction of minarets is prohibited’ (Art. 72 Para. 3). This decision is a clear statement against the Muslim population in Switzerland; however, it does not affect the four existing minarets in Zurich, Geneva, Winterthur and Wangen.

Along with the free movement of persons, the so-called ‘new immigration’ of highly qualified European immigrants – mainly from Germany – triggered some resentment in the Swiss middle class who is afraid of a potential social decline. In February 2014, people and cantons have approved the popular initiative ‘Stop Mass Immigration’, which calls for a significant change in immigration policy. The initiative demands the implementation of quotas for permits issued to foreigners and asylum seekers and wants to go back to a policy of admission restrictions and contingents. The corresponding modification of the Swiss Constitution (Art. 121a) contravenes the agreement on the free movement of persons – the consequences of this decision are still uncertain. But since the Swiss economy is heavily dependent on foreign workers, such an implementation of quotas is expected to have far-reaching implications on economic growth.

The result of this popular vote may be seen as a reaction to the steady population growth during the last few years – as a conglomerate of expressions of xenophobic tendencies on the one hand, and of fears concerning the excessive consumption of natural resources, soil, infrastructure and living space on the other. However, it confirms the political divide between French-speaking and German-speaking Switzerland and shows a clear urban-rural cleavage: French-speaking communes and urban areas mainly voted against quotas. The regions with the greatest diversity in cultural and ethnic terms thus rejected the initiative.

3.3.3 Integration policy

Overview of the policy field

The Swiss integration policy is a very good example of the functioning of federal structures and the application of the subsidiarity principle. The cantons are the key actors in this policy field, but the confederation influences the implementation by establishing and shaping incentive structures to foster the diffusion of ‘best practices’ and to advance a stronger harmonisation of cantonal legislations. The cantons act as intermediaries between the confederation and the communes where the concrete integration measures are implemented. Additionally, due to
the extensive autonomy at the local level, the municipalities possess a wide scope of action regarding their integration objectives. With the current realignment of the national policy on foreigners, confederation and cantons play an even more strategic role by setting some general requirements – such as the development of an integration programme – and by co-funding the implementation of integration measures at the local level.

Further important actors in the integration policy sector are non-governmental organisations (NGOs). NGOs such as relief or aid organisations have always been highly involved in the development and implementation of integration measures and instruments. These organisations are often the first to notice the needs and problems of the migrant population. They subsequently initiate tailored projects and programmes, which are eventually funded by the state. The implementation of integration measures is therefore rarely directly provided by government agencies, but mostly carried out by NGOs, steered by performance agreements. Section 3.5 presents four important NGOs dealing with diversity and integration and discusses their perspectives on the topic and their assessment of the public policies in this field.

A crucial principle of Swiss integration policy is the primacy of integration in the so-called ‘standard structures’. This term stands for all institutions within the standard service provision of the state, in fields such as education, vocational training, health care or labour market (Federal Council, 2010). Integration is understood as a cross-sectional task – as a kind of integration mainstreaming – that should be performed in every area of daily life. Complementary to these standard structures, there is the ‘specific promotion of integration’ (Federal Council, 2010). On the one hand, this specific promotion of integration aims to support the quality assurance in the standard structures by expertise, counselling and supervision (e.g. translation services in the public health sector). On the other hand, it aims to bridge gaps by addressing persons who have little access to the standard structures (e.g. migrant housewives or househusbands who were not educated in Switzerland, adolescents who recently arrived in Switzerland, families with young children or retired persons). These groups are in need of specific integration measures. The differentiation between integration in standard structures and the specific promotion of integration applies to all three state levels.

National integration policy

Development of a national integration policy

At the national level, the formulation of an integration policy started with the revision of the ‘Federal Act on the Stay and the Admission of Foreign Nationals’ in 1998 and the insertion of an article for the financial support of integration instruments. With this legal basis, the federal government could for the first time provide financial assistance to cities and cantons that already implemented integration measures. In the year 2000, this article was concretised in the ‘Regulation on the Integration of Foreign Nationals’30. Since 2001, the federal government has provided financial contributions for the specific promotion of integration amounting to CHF 16.5 million (approx. € 13.4 million) per year (Federal Council, 2010). According to
the interviewed cantonal and communal integration officers: “This new legal article was a key stimulus for the development and the advancement of integration policies and programmes.”

With the agreement on the free movement of persons that came into force in 2002, immigration policies have changed significantly: Switzerland imposed a stratified system of immigrant rights, differentiating between citizens of the EU and EFTA and citizens of other states (Riaño and Wastl-Walter, 2006). Thereby, many social problems of the immigrant population from non-EU/EFTA countries are ascribed to deficits regarding their integration, although their difficult situation is principally affected by socio-economic status and less by origin (Prodolliet, 2006).

In 2005, the new ‘Federal Act on Foreign Nationals’31 was enacted to regulate the admission and the period of stay of immigrants from non-EU/EFTA countries (except for refugees that were granted asylum). A core element of the new federal act is the concept of ‘integration’. These new directives define integration as a mutual process between the Swiss and the migrant population and aim for a better coordination of integration between all state levels (TAK, 2005). The strategy of this new integration policy is to combine rights and obligations concerning foreign nationals (Tov et al., 2010). The Swiss cantons are now entitled to set conditions for issuing or prolonging a residence permit. This condition is called an ‘integration agreement’ between the persons concerned and the cantonal administration. It regulates the reduction of ‘integration deficits’ regarding, for example, language skills, education, labour situation, knowledge of the Swiss political system, obedience to Swiss law etc. (ibid.).

In 2007, the Regulation on the Integration of Foreign Nationals has been revised according to the new law and now comprises an additional paragraph on these integration agreements.32 The new idea of integration might be associated with a welcoming and open approach, in contrast to earlier claims for assimilation. But the message stays the same: immigrants, especially from non-EU/EFTA countries, need to culturally assimilate to the Swiss context (Tov et al. 2010). In the two-dimensional framework of integration regimes developed by Koopmans et al. (2005) distinguishing between assimilationist, segregationist, universalist and multicultural regimes, Switzerland is considered strongly assimilationist, which can be seen as the most exclusive or restrictive type (Manatschal, 2011). Thereby, immigration policies differ heavily between citizens of the EU and EFTA and citizens of other states.

Following the developments at the national level, several cantons have implemented specific laws or regulations on integration in the last few years. Generally speaking, they are in line with the national law, but they differ partially in their understanding of integration. Some cantons focus on the obligations and duties of the immigrants, while other cantons put emphasis on the principle of non-discrimination (TAK, 2009). Therefore, in the last few years, Switzerland experienced a lively political debate on the ‘right’ and ‘proper’ integration policy. All important political parties presented position papers, and in the national parliament as well as in cantonal and communal councils several political proposals and initiatives have been submitted.
As a consequence, the head of the Federal Department of Justice and Police organised an integration dialogue with representatives of the cantons, where the need for action has been clearly highlighted. The dialogue showed that an advancement of the Swiss integration policy is necessary: first of all, a common understanding of integration is needed, in addition to an assessment and an eventual amendment or even a realignment of the integration policy (TAK, 2009).

Within the framework of the ‘Tripartite Conference on Agglomerations’ (TAK) – an institutionalised political platform for the vertical cooperation between confederation, cantons and cities – a common process for the advancement of the integration policy has been launched that resulted in a comprehensive report and nine recommendations in 2009. The recommendations comprise, amongst others, the implementation of a nationwide address of welcome and general information for every newly arriving immigrant, in addition to stronger legal bases at all three state levels (TAK, 2009). To finance the suggested measures, substantial additional expenses are expected. This report now constitutes a common basis of the communes, the cantons and the federation towards the further development of the integration policy.

Objectives and basic principles of the national integration policy
According to the Federal Act on Foreign Nationals from 2005, integration denominates a mutual process that presupposes on the one hand the willingness of foreigners and on the other hand the openness of the domestic population (Art. 4 Para. 3). The main objective of the integration process is a peaceful co-existence based on the values of the Federal Constitution and in a spirit of mutual tolerance and respect (Art. 4 Para. 1). Confederation, cantons and communes see as a main common integration objective the strengthening of social cohesion. To achieve this objective, integration policy rests upon four equally important basic principles: ‘realise equal opportunities, realise present potential, consider diversity and require individual responsibility’ (BfM and KdK, 2011).

As these objectives and principles already show, the main formula of Swiss integration policy shaping all public and political debates is ‘to encourage and to require’ (‘fordernd und fordern’). On the one hand, integration policy should provide opportunities for immigrants to become part of the economic, the social and the cultural life (Art. 4. Para. 2). Realising equal opportunities and fostering the participation of foreigners are thereby crucial principles. On the other hand, it is regarded as necessary that immigrants make a personal contribution to their own integration. It is required that foreigners concern themselves with the societal context and the living conditions in Switzerland and, in particular, that they learn a language of the country (Art. 4 Para. 4). Part of this ‘demand side’ of integration policy is also the new possibility of concluding an ‘integration agreement’. The cantonal administrations are authorised to combine the issuing of a residence or work permit with certain conditions such as a language or integration course. Of course, this regulation does not have any effect regarding immigrants from EU/EFTA countries.
Diversity as a concept is thus present in the national integration discourse; diversity is understood as a ‘valuable component of society’ (BfM and KdK, 2011). However, the term is used rather reluctantly and not depicted as something worth pursuing or investing. The corresponding principle only declares to ‘consider diversity’ within integration policies. The migrant population should be integrated in the policy formulation, and immigrants should generally be provided with equal opportunities.

Organisation, resources and measures
At the national level, the Federal Office for Migration is responsible for all matters covered by legislation on foreign nationals in Switzerland. Cantons and cities have also established integration offices that provide counselling, information, coordination and promotion of integration. The cantonal integration officers are the formal contact persons for the Federal Office for Migration. Furthermore, all integration officers are organised in the ‘Conference of the Communal and Cantonal Integration Officers’. In the political sphere, the horizontal and vertical coordination of integration policy takes place within the Tripartite Conference on Agglomerations (TAK) and the Conference of the Cantonal Governments (KdK).

Regarding integration in the standard structures, the federal government aims to better root and establish integration policy as a core public task (Federal Council, 2010). In 2007, a package of measures was adopted that should improve integration activities in the present standard structures. Furthermore, the federal government recommends the amendment of several federal acts in order to create the legal bases for appropriate integration measures and to attach the principle of non-discrimination. Due to the federal state structure and the thematic broadness of integration, numerous actors are responsible for integration issues, the delimitations of these fields are not always clear and the resources for integration activities within the standard structures cannot be stated properly.

In the field of the specific promotion of integration, structures, tasks and resources are more evident. Along with the implementation of the new Federal Act on Foreign Nationals comes a paradigm change regarding the roles of the confederation and the cantons and their funding of integration measures. The federal government does not finance concrete integration measures any longer, but takes a more strategic role (BfM and KdK, 2011). The federal funds for integration go directly to the cantons, linked with the obligation of a cantonal integration programme and of a 50% co-financing of the programme by the canton. The confederation therefore defined three crucial pillars of the specific promotion of integration (ibid.):

• information and counselling (e.g. address of welcome and first general information for newly arriving immigrants)
• education and labour (e.g. language courses)
• mutual understanding and societal integration (e.g. translation services).
If cantonal governments wish to receive federal funds for their integration policies, they need to submit an integration programme that comprises an evaluation of the existing integration measures and the planned activities for the next years, sorted according to the three pillars.

As of 2014, the funds for the specific promotion of integration thereby increase substantially. The federal government raises its financial contribution by CHF 20 million (approx. € 16.22 million) to CHF 36 million (approx. € 29.2 million) per year (BfM and KdK, 2011). These funds go directly to the cantons within the framework of an agreement on a four-year integration programme with every canton. However, the cantons need to make an equal financial contribution to their integration policy in order to receive the federal funds.

Furthermore, the federal government pays out an ‘integration flat rate’ to the cantons concerning the policy on refugees. A total of CHF 58 million (approx. € 47 million) per year goes to the cantons in order to promote the vocational integration and the language acquisition for recognised refugees and provisionally admitted persons (Federal Council, 2010). This flat rate does not change with the happening advancement of integration policy, but it is still unconditional due to the cantons.

Integration policy of the Canton of Zurich

Legal bases and objectives of the cantonal integration policy
The first development of a canton-wide integration policy was the establishment of the ‘Cantonal Working Group for Immigration Issues Zurich’ in 1980. This association was founded with the intention to represent the interests of migrants and to get them involved in the public discourse. In 2003, out of this working group the Cantonal Integration was established, associated with the Cantonal Department of Justice and Home Affairs. The head of the Integration Office is the cantonal integration officer and the formal contact person for the Federal Office for Migration. In the Canton of Zurich, there is no law on integration, but in 2006 a Regulation on Integration was enacted that mainly specifies the goals and duties of the Integration Office. Today, the Integration Office is responsible for the cantonal policies on foreigners and on refugees.

Within the administration of the Canton of Zurich, immigration per se is perceived as mainly positive. Switzerland is highly reliant on foreign workers, and the public administration has therefore a positive attitude towards migration. The cantonal integration officer stated in this context:

“Without immigrants, nothing would be going on in the Canton of Zurich – neither economically, nor culturally. Within the public administration, immigrants are regarded as enrichment.”

However, the interviewees agree that, although the steady influx of migrant workers is regarded as valuable and as a mutual enrichment, the daily work with migrants may constitute a challenge, mainly due to linguistic difficulties.
According to the Cantonal Constitution, canton and communes shall support the coexistence of different population groups in mutual respect and tolerance (Art. 114). Furthermore, they shall promote the participation of these groups in public affairs and shall take measures to integrate the foreigners residing in the Canton of Zurich (Art. 114). Congruent with the national objectives, the cantonal government draws on the integration principle ‘to encourage and to require’ (‘fordern und fordern’). Integration policy should therefore realise equal opportunities, give equal access to all public services, strengthen social cohesion and involve migrants in the political integration process. However, the government also requires individual responsibility in the sense that every migrant should make a personal contribution to the integration process, such as aiming for financial independence, adhering to the law and respecting the cultural diversity of the inhabitants. Certainly, setting binding conditions – for instance, to improve the language skills – for issuing or prolonging a residence permit by concluding a so-called ‘integration agreement’ is only applicable for immigrants from non-EU/EFTA countries (except for refugees that were granted asylum). In 2007, integration was declared an important component of the legislative period and the ‘encourage and require’ formula was incorporated into the legislative focal points.

So, the strategic orientation of the cantonal integration policy is in accordance with the national objectives, and the concept of diversity is not interpreted in a different manner. According to the cantonal integration officer: “Diversity is just a new label for integration and does not add value”. To her, the label is not of utmost importance: her focus is on concrete projects to better integrate and involve immigrants in the Canton of Zurich.

In the Canton of Zurich, the integration in standard structures is regulated in the respective cantonal act and is financed through the normal budget of these directions (Cantonal Integration Office, 2013). For instance, according to the Cantonal Law on Public Education\textsuperscript{34}, schools with a highly diversified body of pupils – regarding origin, language and socio-economic status – receive additional financial and technical support by the cantonal government (Para. 25). The specific promotion of integration, on the other hand, is governed and implemented by the Cantonal Integration Office.

\textit{The new integration programme of the Canton of Zurich}

With the realignment of the national policy on foreigners and a change regarding the funding strategy – from ‘single case’ federal contributions, to contributions and to cantonal integration programmes – the government of the Canton of Zurich decided in 2011 to develop a cantonal integration strategy and an integration programme (Cantonal Integration Office, 2013). The Cantonal Integration Office was mandated with these tasks. In 2012, the integration strategy was elaborated, and in 2013, the integration programme has been developed and submitted to the Federal Office for Migration.

The most important objectives of the present integration programme are the following\textsuperscript{35}:

- to systemise the promotion of integration together with the communes
• to expand the first general information for newly arriving immigrants
• to adjust the language and integration courses according to the needs and demands
• to promote integration via the employers
• to strengthen the social integration with reference to the so-called 'new immigration'.

Similar to the federal government, the cantonal government thus wants to systematise the promotion of integration by directly negotiating with the communes instead of single private-project providers. The canton now also operates with financial incentives: conditions for the receipt of federal and cantonal funds are a communal integration programme, the appointment of a communal integration officer and a co-financing of the communal integration measures by the municipalities of at least 45%.

From 2014 onwards, the canton therefore has concluded performance agreements with the communes and provided support for the elaboration of a communal integration programme. In order to adjust the integration measures according to the needs and demands, the communes are divided into three groups: ‘big cities’, ‘focus communes’ and ‘initiative communes’. The two ‘big cities’, Zurich and Winterthur, are already well equipped and provide a wide range of integration measures; they already have an integration programme and an integration officer. The integration strategies of these two cities will not change, except from the fact that all cantonal and federal funds go primarily to the city and then to private providers of integration projects such as aid or relief organisations. ‘Focus communes’ are those municipalities that are in the focus of the cantonal strategy: urban or suburban communes with a comparably high percentage of foreigners or foreign-language-speaking pupils. The Cantonal Integration Office is seeking a close cooperation with these municipalities to optimise the communal integration services and to establish an integration officer. The term ‘initiative communes’, finally, denominates all other municipalities that may want to establish an integration programme on their own initiative and that are therefore interested in cantonal and federal support.

According to the cantonal integration officer, regarding direct contributions to private providers of integration projects, the Cantonal Integration Office just supports quality management in language courses, an agency for intercultural interpreters, a legal service institution for migrants and integration courses for small population groups in their mother tongue.

As from 2014, the Canton of Zurich receives federal funds for the promotion of integration amounting to CHF 6.5 million per year (approx. € 5.2 million), if canton and communes pay together at least an equal amount for their integration measures (Government Council of the Canton of Zurich, 2013), which was the case in the last few years. The expected revenues are CHF 3.7 million (approx. € 3.0 million), higher than before the system change. Furthermore, a step-by-step increase of the cantonal budget for the promotion of integration was planned from 2014 onwards. Furthermore, the canton receives an unconditional ‘integration flat rate’ relating to the policy on refugees in the amount of CHF 6.9 million (approx. € 5.6 million) per year (Government Council of the Canton of Zurich, 2013).
3.3.4 Other policy fields associated with the discourse on diversity

Besides integration and immigration policies, there are some other policy fields with a certain connection to urban diversity matters: the domains of neighbourhood development and housing. Here, we currently find three national policy programmes associated with spatial planning, neighbourhood development processes and societal diversity, as well as a fourth national programme on social housing. Despite these rather marginal federal initiatives, the development of neighbourhoods is primarily undertaken at the city level.

First, in the context of the new federal agglomeration policy, the Federal Office of Energy (BFE) and the Federal Office for Spatial Development (ARE) implemented a programme focusing on a sustainable development of neighbourhoods (BFE and ARE, 2011). In a joint effort, they provide and promote an instrument – named *Sméo* – that serves as an evaluation tool for neighbourhood projects. This tool uses comprehensive sustainability indicators covering ecological, socio-cultural and economical aspects to validate urban development processes.

Secondly, the ARE launched the *Projets urbains* programme in 2008, which focuses on social cohesion in residential areas (ARE, 2008). This programme provides financial support and technical expertise for development projects in deprived neighbourhoods in small- and medium-sized cities and urban municipalities.

Thirdly, the ARE currently supports innovative ideas for a sustainable development of neighbourhoods. Within the framework of its programme for ‘sustainable development’, the call for proposals of 2015 is focussed on the neighbourhood level (ARE, 2015). Thereby, the ARE is looking for projects that aim to enhance the quality of life in neighbourhoods – for instance, with respect to cross-generational housing, urban open space, cultural services or participatory processes involving natives and immigrants.

Fourthly, there is a small policy programme focusing on housing in the context of societal diversity. The Federal Office of Housing (BWO) has been engaged for several years in issues of developing deprived neighbourhoods and integrating the foreign population (BWO, 2007). To this end, the BWO commissions research projects and funds the realisation of concrete neighbourhood projects.

3.4 Governmental discourses and the governance of diversity in the city of Zurich

3.4.1 The discourse on diversity in the City of Zurich

Zurich is a culturally and ethnically very diverse city. The interviewees from the city administration thus all agreed: “Diversity is a reality in Zurich, a matter of course”. Generally, cultural diversity is an urban phenomenon: 85% of the foreign population in Switzerland live in metropolitan areas. Zurich, similar to other large cities, is a melting pot of different cultures,
languages and religions. Therefore, the first public policies or approaches dealing with this diversity emerged in the 1960s. Due to the steady settlement of different cultural and ethnical groups, Zurich developed a rather open approach towards immigrants and social diversity, compared to higher state levels where efforts to deal with integration and diversity issues arose rather hesitantly and late. Surely, Zurich’s welcoming attitude may also be attributed to its specific function as a leading financial centre and the importance of its service industry: without immigration it would be impossible to meet the high labour demand.

In 2007, the city council published a long-term strategy report on the development of the city that forms the basis of the spatial development strategy, the ‘Zurich Strategies 2025’. As one major challenge in the following years, the report addresses ‘the social cohesion in an urban society in terms of an integration of different social and ethnic groups and the interplay of generations’ (City Council of Zurich, 2011: 3). The report formulates 18 strategies in different policy fields such as education, health care, public finances or infrastructure. One area of action is thereby explicitly focussed on ‘how Zurich’s attractiveness and diversity can be guaranteed in the future as well’ (City Council of Zurich, 2011: 23). Within this area of action, an important strategy is labelled ‘promotion of a cosmopolitan and international spirit’ (City Council of Zurich, 2011: 24). To reach this goal, the city wants to maintain an active welcoming culture – new arrivals are welcomed and are informed about all aspects of the city. With its services, the city wants to meet the needs of the entire population, and where necessary, official information is available in different languages.

Furthermore, the city claims to participate in the development of a cosmopolitan and pragmatic integration policy at national and cantonal levels. Another strategy is directed towards the ‘promotion of good co-existence’ (City Council of Zurich, 2011: 26). Here, the city relies on adequate social policy and housing to counter tendencies towards spatial social segregation. It ensures better integration of people with disabilities and guarantees the population a high level of security. Furthermore, it wants to create conditions for civil society engagement and vibrant neighbourhoods.

A third strategy that touches the concepts of integration and diversity aims at the ‘development of a diverse residential city’ (City Council of Zurich, 2011: 30). Thereby, the city promotes a social mix of inhabitants in the neighbourhoods and the construction of affordable housing. Therefore, it ensures a proportion of at least 25% of its total portfolio of non-profit apartments.

In accordance with these long-term strategies, the city government formulates goals for the current legislative period. The legislative focal points 2010-2014 comprehend, amongst other objectives, the goals of ‘developing city and neighbourhoods together’ and of an ‘early promotion of children’ (City Council of Zurich, 2010a). Regarding the first goal, the city aims for diverse neighbourhoods with a mixed population. It wants to sustain and strengthen the social and structural diversity of the urban neighbourhoods with specific activities, to ensure the
participation of specific stakeholders and the general population in planning processes and to promote social cohesion by strengthening the engagement of civil society. The second goal of an early promotion of children supports the social and cultural integration of families, especially from a socially disadvantaged environment or with low access to education.

A diverse society with a cosmopolitan spirit is obviously regarded as an important positive location factor of Zurich. Diversity is not something that should be overcome, but guaranteed and sustained. It is called ‘a gain and a potential that the city should benefit from with regard to shaping its future’ (City of Zurich, 2012c). According to Christof Meier, the head of the specialist unit ‘Promotion of Integration’ of the City of Zurich:

“The city's welcoming culture is an attitude. Actually, it is not only oriented towards foreign nationals, but it is a general statement. Besides concrete measures and activities towards the promotion of integration, the symbolic meaning of this statement is crucial. We want one of the multiple identities of the inhabitants to be associated with the City of Zurich.”

To uncover the discourse on urban diversity in more detail, the relevant policy strategies are presented and discussed in the following sections. Thereby, the assessment of policy strategies and programmes is mainly focussed on the city’s integration policy since this field is most directly related to the public preoccupation with diversity issues, as explored in the next sub-section. Other fields with a connection to diversity matters are public community work and housing policy and will be presented in the subsequent sub-sections.

3.4.2 Integration policy of the City of Zurich

Strategic orientation of the integration policy
Zurich – similar to other large cities – was directly confronted with different challenges regarding steady immigration for decades. At the same time, it was in the position to implement its own integration measures due to the high local autonomy and the right to levy taxes. It had sufficient resources to initiate and try out various instruments and measures and was not reliant on the permission of the canton or the confederation. Therefore, Swiss cities – and especially Zurich – have successfully pioneered Swiss integration policy and now possess rich experience in implementing integration and diversity measures.

The city report on integration (City of Zurich, 2009: 8) states that the design of the integration policy draws on three reference points: ‘realising equal opportunities, strengthening individual competences and promoting a culture of positive welcome’. Based on the report on integration, the city government defined six guidelines and several sub-objectives of its integration policy for 2012-2014. As higher state levels do, the city government thereby distinguishes between integration in the standard structures – such as the education system, the vocational system or the public health sector – and the specific promotion of integration. Likewise, there is a
clear primacy of integration in the standard structures. The integration guidelines and their sub-objectives read as follows (City of Zurich, 2012c):

- **Enhancing equal opportunities**
  - Children and adolescents are supported and educated according to their skills.
  - Public services should reach all inhabitants – important information is available in different languages and well understandable.
  - The City of Zurich fights against discrimination and barriers to integration.

- **Enabling individual responsibility**
  - The city promotes the population’s linguistic, social and everyday mathematical competences that are needed in social and working life.
  - Zurich’s social networks shall be better known, and the city thereby expands its cooperation with business companies.

- **Maintaining a culture of positive welcome**
  - Zurich welcomes newly arriving immigrants, informs them in a familiar language about important integration activities and provides them with useful orientational knowledge.
  - The population is informed about their fundamental rights and about the important rules of daily life.
  - The different cultural and religious traditions in Zurich may be visible and shall be appreciated.

- **Promoting good co-existence**
  - Zurich promotes activities that use the potential of the population’s diversity and promote mutual understanding and common action.
  - The different population groups are empowered to participate in developing the city.

- **Approaching challenges**
  - The city identifies and denominates problems of integration and approaches them actively.
  - The city confronts prejudices against migration and against the goals of their integration policy with an open and objective dialogue.

- **Active positioning in integration policy**
  - The city provides groundwork and is involved at regional, national and international levels to exchange experiences and to discuss and develop integration measures.
  - Zurich participates in the national political discourse on integration and in the policy-making process. Thereby, it focuses especially on the specific situation of urban areas.
  - The city enables public discussions on current issues regarding migration and integration. A conference on migration is organised annually.

As the three reference points and the integration guidelines show, the understanding of integration in the City of Zurich differs from the prevalent concept at the national and the cantonal levels. Immigrants should therefore have equal access to societal resources and public services, they should be empowered and supported to participate in everyday social and working life, and they should be socially recognised and respected. The Swiss integration principle ‘to encourage and to require’ is not referred to in policy documents of the City of Zurich.
Requiring responsibility or an individual contribution of the immigrants is not a pronounced part of its understanding of integration. This difference becomes evident in the wording of the integration guidelines: confederation and canton ‘require individual responsibility’ while the city wants to ‘enable individual responsibility’.

The ideological differences between the city and higher state levels are caused by the different proximity to the ‘object’ on the one hand and by the different political context on the other hand. The City of Zurich was always directly confronted with a high influx of immigrants and clearly dependent on the foreign workforce. It thus seems very probable that a more open and pluralist conception of diversity emerged. Additionally, Zurich is politically dominated by left-wing parties – contrary to the cantonal and the national levels – which corresponds to a more open and welcoming approach towards immigration. The ideological differences regarding the attitude towards diversity and integration resulted in a rather reserved relationship between the integration officers at cantonal and local levels, which does not facilitate the necessary cooperation in common integration issues.

Furthermore, the City of Zurich became a member of the European Coalition of Cities Against Racism (ECCAR) in 2007 and thereby affirmed its commitment to fight racist discrimination. At regular intervals, the city government now publishes reports on racism, where the public administration and the public services are critically surveyed and evaluated.

The specific promotion of integration
The specific promotion of integration, which comprises all integration measures outside the standard structures, is undertaken by the unit ‘Promotion of Integration’ headed by Christof Meier and affiliated with the Office for Urban Development in the Mayor’s Department of the City of Zurich. A first coordination unit for immigration issues already emerged in 1969. With the beginning of the new century, it was renamed the Promotion of Integration and incorporated in the Office for Urban Development. This office was founded in 1997 with an emphasis on cross-sectional issues and tasks in the urban administration.

The activities of the unit for the Promotion of Integration are based on the report on integration from 2009, the above-mentioned integration guidelines and a first mission statement from 1999. This statement was the first strategic approach towards an integration policy in the City of Zurich and specified measures for a good co-existence (City Council of Zurich, 1999). The current realignment of the national policy on foreigners and the corresponding development of a cantonal integration programme will not change a lot of the city’s approach towards integration. The city already has an integration officer and an integration strategy and finances a wide range of integration measures. Zurich will continue its integration activities under the new cantonal roof. With the higher federal funds starting in 2014, the city will however receive higher financial contributions. This additional amount will be used – according to the head of the unit for the Promotion of Integration – to consolidate the existing activities and services, not to further expand the scope of integration projects.
Among the diverse activities of the unit are a general address of welcome and first overall information for newly arriving immigrants, the support of the standard structures regarding integration issues, annual meetings with migrant organisations, the sponsoring of language and integration courses carried out by non-governmental actors, the participation in intra-administrational working groups and general public-relations activities. Lately, the reception service has been largely expanded: every newly arriving immigrants receive a welcome letter, are invited to a welcome reception and a guided tour of the city (several events per year in six different languages) and have the possibility to seek advice at the ‘welcome desk’ of the unit without prior notice. There is also an integration credit where the city supports projects aiming to create higher social cohesion. Currently, the Unit for the Promotion of Integration contributes CHF 200,000 (approx. € 163,000) per year. According to Anna Schindler, the director of the Office for Urban Development: “The city's integration effort is generally a model for success.”

Regarding immigration and integration issues, there is extensive cooperation within the city administration. On the one hand, there is project-related cooperation, such as the collaboration between the Social Services Department and the unit for the Promotion of Integration with respect to migrant counselling (project ‘Infodona’). On the other hand, project-independent cooperation emerged that is bound to administrative structures such as the ‘Integration Delegation’ of the city government that discusses cross-departmental integration issues and problems.

To date, according to the interviewees the financial resources of the specialist unit for the Promotion of Integration range between CHF 6 and 7 million (approx. € 4.9 to 5.7 million). There are 13 persons employed, equalling nine full-time posts. The expected budget increase through the higher federal and cantonal funds will presumably be substantial but is not yet definitely determined. According to the integration officer, the resources are sufficient to manage the current challenges posed by immigration processes.

3.4.3 Other policy fields associated with the discourse on diversity

Community work, socio-culture and community coordination
Community work, socio-culture and community coordination are public services organised by the Office for Social Services in the Social Services Department of the City of Zurich. These public community services focus on a sustainable social integration of all inhabitants in the city as well as on a high quality of life in all neighbourhoods. They act as an interface between the city administration and the neighbourhoods and support the interest of neighbourhood associations, inhabitants, local trade associations and other neighbourhood groups. Public community work is raising awareness of specific needs of the community, linking and empowering people and groups, providing spaces of encounter, and supporting inhabitants and associations in realising their wishes (Social Services Department of the City of Zurich, 2014). The cantonal and the federal administrations are not relevant actors in this policy area.
Since the Office for Social Services naturally has a more comprehensive view on diversity than the specialist unit ‘Promotion of Integration’ which mainly focuses on ethno-cultural aspects, works with a broader concept of integration. Integration is not only understood as integrating immigrants into society, but as ‘social integration’, i.e., strengthening social cohesion across all social classes and ethnic groups. The interviewees from the Office for Social Services put it like this: “Today, integration is not just about Swiss citizens and foreign nationals, but it is an issue that concerns every social stratum – it is about social integration.” Therefore, the city provides varying socio-cultural encounters and meeting points, such as neighbourhood centres, neighbourhood festivities, activities for children (e.g. a children’s cinema) and meeting places for teenagers. The emphasis of these public services is thereby less on promoting multiculturalism than on bringing people together, strengthening their identification with the neighbourhood and helping them realise their own initiatives and projects. Several of these services are run by non-governmental organisations but funded by the city.

Thereby, the socio-cultural approach is very neighbourhood-specific. In some quarters, immigration is an important topic; in others, we find a high percentage of elderly people. Some neighbourhoods are already very committed and organised; in other neighbourhoods people need to be empowered to express their needs. According to the head of the Office for Social Services, Mirjam Schlup: “The new immigration has changed something – a lot of immigrants now have substantial resources and are interested in making a contribution to their new home.” So, the community coordinators have to identify the needs in a certain community to work with the relevant groups (e.g. a specific migrant organisation, an organisation representing elderly people or family associations) to create platforms of exchange and to link the people with the responsible offices of the public administration.

A further important field of activity of the public community work is to foster the inclusion of different population groups into participatory processes of urban planning projects. When the Structural Engineering Department creates concepts for the development of a neighbourhood or a new building complex, it is today a standard procedure to set up a participatory process and get on board the inhabitants of this neighbourhood or their organised representatives such as neighbourhood organisations, migrant associations or local trade organisations. The contact persons are in these cases the responsible community coordinators. The legislative focal points 2010-2014 that refer to integration issues also boosted this intra-administrational cooperation. The interviewees described it as a great opportunity to take up comprehensive projects, to try things out and to strengthen interdisciplinary cooperation, due to the additional financial support by the city government. During the last years, social urban development has always been considered more frequently in the context of spatial planning projects. Furthermore, a cross-departmental ‘Core Group on the Development of Neighbourhoods’ was implemented in 2006 to approach every kind of socio-spatial matter at the neighbourhood level. However, regarding these participatory processes in urban planning, there were no specific efforts to address and explicitly include ethnic minorities or hard-to-reach groups so far.
The Office for Social Services also has a broader understanding of diversity than integration offices. Diversity here does not only have a cultural dimension, but is also understood as a socio-economic and a demographic approach. Thereby, diversity is perceived as generally positive. According to the head of the Office for Social Services, there is a clear consensus in the department: “We want a diverse city, and we are proud of it”.

Housing policy
According to the ‘Zurich Strategies 2025’, an important objective of the city council is the ‘development of a diverse residential city’ (City Council of Zurich, 2011: 30). With its housing policy programme, the city council pursues the following three goals (City of Zurich, 2012d):

- **Attractive residential city**: Zurich shall remain an attractive residential city for all classes of population and every age group.
- **Socio-political stability**: The city council promotes a social mix of inhabitants in the neighbourhoods, which shall contribute to socio-political stability and high quality of life. Thereby, the provision of a high percentage of affordable housing and non-profit apartments is a crucial measure for a diverse residential city.
- **Cooperation**: In order to establish its housing objectives, the city council seeks cooperation with the most relevant actors in the housing market such as foundations, housing cooperatives and private property developers.

In 2011, an article has been added to the municipal code – approved in a popular vote – to foster social housing and provide affordable living space for persons living in poor economic conditions as well. The City of Zurich already has a long tradition regarding the construction of social housing – today, 25% of all rental housing in the city comprises non-profit apartments. The objective of the new article now is to raise this percentage to one-third of all rental apartments until 2050.

**Social mix** as an important goal of housing policy is present in most countries of the Western world (e.g. Galster, 2007). In Zurich, this debate became prevalent toward the end of the 1990s, with a realignment of the urban development policy moving towards an ‘entrepreneurial city’ (see Harvey, 1989; Hall and Hubbard, 1996). Accordingly, in the context of growing international competition, the city council tries to put the city in an attractive position for future investors. In her analysis of the neighbourhood development policy in the City of Zurich, Widmer (2009) shows that these development processes may be seen as part of the new competition-oriented urban development policy. Therefore, ‘less attractive’ neighbourhoods have witnessed several development programmes and image projects in order to not prevent or hamper the marketing measures of the city. Thereby, the concept of social mix was used to increase the percentage of Swiss middle-class families in poorer neighbourhoods (ibid.). Social mix housing policy thus could be regarded as a new name for state-induced gentrification.

However, during the last decade, such neighbourhood development processes and image projects ranked lower on the city agenda, and with the new housing policy programme that...
clearly focuses on affordable housing and non-profit apartments, the city obviously is trying
to implement some sort of countermeasure against ongoing gentrification processes. According
to the city council (City of Zurich, 2012d: 6), the city is committed to providing non-profit
rental housing to those persons with difficulties accessing apartments on the free market – in
particular low-income households, elderly people, families and students. Therefore, with
its objective of realising the ‘development of a diverse residential city’, Zurich presumably has a
twofold purpose: the city shall provide enough space and possibilities for its diverse population
and especially for low-income households, but at the same time it must safeguard its good
position in the global competition of business locations.

3.5 NON-GOVERNMENTAL PERSPECTIVES ON THE GOVERNANCE OF DIVERSITY

Non-governmental actors are absolutely not negligible in governing urban diversity in
Switzerland. They occupy a pivotal position in implementing public policies and are often
at the forefront of diversity issues. Section 3.5.1 presents the role and views of larger non-
governmental organisations dealing with diversity and integration. Section 3.5.2 introduces
smaller bottom-up initiatives and their use and understanding of urban diversity.

3.5.1 Larger non-governmental organisations dealing with urban diversity

Role and function of diversity-based non-governmental organisations

Non-governmental organisations (NGOs) play a crucial role in the development and
implementation of policy instruments in the field of integration and diversity in Switzerland.
NGOs such as relief or aid organisations often act as bridge-builders between the public
administration and certain population groups: since they have good access to the local
population, they notice the needs and requirements of under-represented and disadvantaged
groups early and initiate first assistance and support. Usually, such projects will then be
supported and funded by the state. The implementation of integration measures is therefore
mostly conducted by NGOs, but is steered and funded by the government – typically by means
of a performance agreement.

The present section reflects the opinions, beliefs and arguments of four crucial NGOs in
Zurich: the Foreigners’ Council of the City of Zurich (Ausländerbeirat), the Swiss Interchurch
Aid (HEKS) (Hilfswerk der Evangelischen Kirchen Schweiz), the Swiss Worker’s Aid (SAH)
(Schweizerisches Arbeiterhilfswerk) and the Union of Islamic Societies in Zurich (VIOZ)
(Vereinigung der Islamischen Organisationen in Zürich).

The Foreigners’ Council was founded in 2005. It is representative of the migrant population
in Zurich and acts as an advisory commission to the city government. In this function, the
council may carry out public relations work in connection with integration policy, make
recommendations and submit petitions to the city government. Today, the council has 24
members who meet six times per year. They have established four specialist commissions that are tackling questions of ‘age and health’, ‘media and the public’, ‘police and security’ and ‘school and home’, and have quite close relations with the responsible offices of the city administration. At least once per year, the council meets with the whole city government to discuss relevant and current issues regarding the migrant population of Zurich.

The HEKS is the Swiss aid organisation of the protestant churches and one of the largest relief organisations in Switzerland. It was established in 1946 and is organised today as a foundation carrying out projects in Switzerland and abroad. In Zurich, the HEKS is present with a regional office. Here, the focus lies on the social integration of disadvantaged groups: the HEKS provides services regarding integration into the labour market, education, language courses, intercultural translation, legal advice and counselling, provision of living space, and support with daily living.

The SAH is a worker’s aid organisation engaged with socially and economically disadvantaged people. It was founded in the 1930s; it is a politically and denominationally independent organisation, but it has its roots in the labour movement. Today, the SAH is organised into ten independent regional offices and is the largest provider of labour market measures in Switzerland.

The VIOZ constitutes the umbrella association of all Islamic societies in the Canton of Zurich. It was established in 1995 with the primary intention of finding a common solution to the issue of Muslim graveyards in cemeteries. This goal has been partially achieved: Islam-compliant burials are now possible in the City of Zurich and in two other larger municipalities in the Canton of Zurich. Further long-term objectives of the VIOZ are the legal recognition of Islam under cantonal law and the construction of a central mosque in Zurich. Islam is the second-largest religious community in Switzerland next to the Christian religious community: 4.9% of the population in Switzerland belongs to the Islamic community. In the Canton of Zurich, more than half of the Muslim population migrated from the Balkan region (FSO, 2011; Widmer and Strebel, 2008: 25). Since Islam is not a legally recognised religious community in the Canton of Zurich, there is hardly any statistical information on the Muslim population in the City of Zurich.

**Perspectives on integration policy and diversity**

In their assessment of the public policies on integration and diversity, the representatives of the four NGOs all agree in most respects. The integration activities by city and canton are widely regarded as comprehensive, good and appropriate. The public integration offices are perceived as engaged, professional and helpful, and all organisations agree to the open attitude of the city towards immigration and diversity. However, the strong focus on integration into the labour market is widely criticised. The representatives of the NGOs argue that immigrants are still mainly perceived as a workforce – the nationwide emphasis on language courses, for instance, serves the interests of the Swiss economy, but it does not necessarily make a large contribution to the social integration of immigrants. Mahmoud El Guindi, president of the VIOZ, explains:
“Language skills are of course an advantage, but just one of multiple factors. Language ability is not sufficient and does not necessarily foster social integration.”

Antoinette Killias, head national division of the HEKS, therefore emphasises that measures for a comprehensive social integration need to be considered and financed to the same extent as measures for the integration into the labour market.

Regarding the current realignment of the national policy on foreigners, positive and negative aspects have been mentioned. On the one hand, the additional funds granted by the federation are appreciated and very welcome. On the other hand, it is feared that the associated professionalisation of integration policy creates new bureaucratic hurdles. During the last 10 years, new quality management and controlling systems generated continuously more work for the NGOs. Already today, smaller organisations can no longer apply for public mandates since they do not have the administrative capacity. With the new integration policy, where all individual communes are directly responsible for their integration measures – instead of the canton – NGOs have to collaborate with many more partners and their bureaucratic effort will probably rise even further. However, the cooperation and the contact with city and canton are regarded as good, frequent and productive: the NGOs feel supported by the public administration and are also often contacted by the administration about relevant matters.

In their views on diversity, there are no differences between the four NGOs, either. All representatives have a comprehensive and positive understanding of diversity. They see diversity mainly as “enrichment for society”. Thereby, they perceive their own role as sensitising the public administration to the existing diversity. However, it is criticised that there is too strong of an emphasis on immigrants in the diversity discourse. The interviewed persons identify the crucial gap in Swiss society as between well-educated and poorly educated persons, while the criterion of migrant background is of secondary importance. Antoinette Killias, head national division of the HEKS, points out that: “There are also poorly educated Swiss citizens with low socio-economic status, who should not be forgotten in the debate on diversity and social integration.” So, since the discourse on diversity in Switzerland mainly addresses cultural and ethnic issues, the preoccupation with socio-economic diversity has been given too little attention so far.

Future opportunities and challenges regarding integration and diversity are difficult to assess today, since the realignment of the national policy on foreigners is currently entering into force. Nevertheless, the NGOs are worried about the rising bureaucratisation in this policy field. Additionally, the fact that canton and city do not have a common line with respect to integration policy is mentioned as a problem. Since there are some ideological differences between the two state levels – and the relationship between the two integration officers is rather reserved – their messages are not always consistent and their integration activities sometimes not concerted. This situation may hamper the future cooperation between the relevant actors in this policy field. With respect to this necessary coordination, some representatives of the
surveyed NGOs encourage the creation of a central interface. The head of the Zurich division of the SAH, Hans Fröhlich, stated that:

"An intermediary is needed that would provide an overview of the immigration activities and the current requirements and would plan the needed activities of all public and private providers in the local integration field. So far, there is no general systematic exchange of information between all relevant public and private actors in the field or a systematic approach towards the implementation of integration measures."

Furthermore, to foster social integration, legal recognition of other religions – especially Islam – is supported. Such a demonstrative act would set an example and facilitate peaceful co-existence in the future.

3.5.2 Bottom-up initiatives dealing with urban diversity

Role and function of diversity-based initiatives
In dealing with urban diversity and thereby promoting the positive aspects of a diverse society, smaller bottom-up initiatives often based on pure voluntary engagement play an essential role besides the measures of the public authorities and the larger NGOs. To complement the analysis on the policy discourses on diversity, 10 small-sized, mainly private initiatives in the City of Zurich have been investigated. These arrangements pursue at least one of the three overarching objectives of the DIVERCITIES project: strengthening social cohesion, enhancing social mobility and boosting economic performance.

There are four out of 10 initiatives focussing mainly on the goal of strengthening the social cohesion within the population of the City of Zurich. The Intergalactic Choir and the MAXIM Theatre both provide spaces of encounter where people of different cultural backgrounds get to know each other and learn from each other by carrying out a joint activity. Both initiatives thus focus mainly on ethnical and cultural aspects of diversity and emphasise the notion of pluralism and interculturalism, where people enter into a dialogue on an equal footing. The Neighbourly
Help District 9 and the ‘Brauergarten’, on the other hand, are rather place-based governance arrangements that address a certain neighbourhood and aim to strengthen the interaction and communication between the residents. While the Neighbourly Help focuses on socio-demographic diversity by creating a charitable network in the quarter and supporting isolated people in need of assistance or company, the ‘Brauergarten’ initiative does not target a specific form of diversity but is addressed to all people who enjoy gardening together.

Another four out of 10 initiatives mainly pursue the objective of strengthening the social mobility of the inhabitants of the City of Zurich and are thereby primarily focused on immigrants. Fit4Work integrates well-educated migrants and remigrants from third countries into the Swiss labour market by drawing on the mentoring and networking approach and by establishing close cooperation with larger companies in the Zurich business world. The initiatives Laureus Street Soccer, Parents Learn German in School (ELDIS) and Quality in Multicultural Schools (QUIMS) are tailored to migrant children and adolescents and try to empower them in various areas. Laureus Street Soccer established an open, intercultural football league in order to give young migrants easy access to sports and club structures and to help underprivileged children to assume responsibility and develop their social skills. ELDIS is a public governance arrangement aiming to strengthen the social mobility of migrant children by teaching their parents. It combines a language course with teaching basic knowledge on the educational system and helps these parents cope with the challenges of everyday life. QUIMS is a public programme as well, carried out by the Canton of Zurich and targeting schools with a certain percentage of foreign-language pupils. QUIMS aims to enhance the language abilities, the school success and the social mobility of these children by providing the schools concerned with additional resources for the promotion of literacy for all pupils and for the implementation of integrative and differentiated learning support.

Furthermore, out of 10 initiatives, two aim to boost the economic performance of entrepreneurs in the City of Zurich. The Base Camp is a mobile container settlement that provides a niche for the creative industries by offering low-threshold access and low rents. Establishing a basis for small-scale enterprises and firms which are gradually disappearing in the City of Zurich enhances the creative and artistic diversity in the city and fosters economic innovation and performance. The Complino Time Exchange Factory – although not a successful initiative – addressed socio-economic diversity and introduced an alternative economic model to use the diverse resources different persons have and to strengthen the individual entrepreneurship of underprivileged people.

The innovative strength of the analysed initiatives has several facets, but they all relate to the bottom-up and horizontal structure of the arrangements, to their close and direct connections with the neighbourhood and the targeted groups, and to their comprehensive and integrated approaches. In almost all 10 initiatives, the importance of providing low-threshold access – both the physical access and the possibility that all participants meet on an equal footing – is clearly visible. The interviewed representatives of the initiatives, for instance, emphasise that the focus
on interculturalism, on offering simple spaces of mutual interaction and encounter, is key to the strength and stability of their arrangements.

Following the same basic idea, programmes and projects are often created in a bottom-up manner by involving the community and proactively using the present potential within the target groups. Working with key persons recruited in the neighbourhood and the target groups for instance enhances the credibility and the effectiveness of the initiatives. The evidence generally shows that there is an impressive potential of voluntary engagement present in the neighbourhoods of the City of Zurich – it just needs to be activated and organised. Another innovative feature is the implementation of comprehensive and integrated concepts targeting the participating persons as a whole. The analysed initiatives often provide tailor-made solutions and case-specific approaches that take into account the participants’ individual living situations. They leave room for the people to organise themselves according to their needs and requirements or offer additional assistance such as German language courses or childcare.

Use and understanding of diversity
Similarly to the governmental discourse, the analysed governance arrangements and initiatives also primarily target the ethno-cultural dimension of diversity. However, while public policies nearly exclusively operate with the concept of integration, bottom-up arrangements rather use terms such as ‘inclusion’ or ‘interculturalism’. The vast majority of the analysed arrangements focus on creating spaces of encounter, on learning from each other, on helping each other and on carrying out a joint activity, all related to interactions on equal terms. Sometimes, the concept of integration is even deliberately avoided since it is perceived as a one-sided and patronising approach to the initiators of the initiatives. The representatives of the initiatives also criticise the, often narrow, governmental concept of integration that is mainly focussed on economic aspects and on the integration of immigrants into the labour market. They argue that a broader perspective on the process of integration is needed and that a purely economic rationale is not helpful in fostering social cohesion. Governance arrangements, however, that are closely associated with the public administration generally share the emphasis on the concept of integration.

Among the analysed initiatives, there are also some cases addressing other forms of diversity such as socio-economic status or age. The Neighbourly Help District 9, for instance, focuses particularly on socio-demographic aspects of diversity and tries to improve the social cohesion between younger and elderly people in the neighbourhood. The Complino Time Exchange Factory mainly addressed socio-economic diversity. An important aim of the initiative was to bring people from different social classes together.

The term hyper-diversity – the diversification of the population in socio-economic, social and ethnic terms, but also with respect to lifestyles, attitudes and activities (see Tasan-Kok et al., 2013) – is not explicitly on the agenda of the investigated initiatives, but there are new bottom-up approaches showing a certain connection with the concept of hyper-diversity.
Several initiatives do not focus on a specific population group or a certain neighbourhood but instead put a common activity at the forefront. Establishing spaces of interaction and bringing together people with a common interest or lifestyle but who are from very diverse contexts seems very promising and effective since these people participate only out of personal interest and not because they belong to a certain population group or live in a specific neighbourhood. Examples among the analysed initiatives are the joint singing in the Intergalactic Choir, the introduction into the dramatic arts in the MAXIM Theatre or the common gardening in the ‘Brauergarten’. Other initiatives address the hyper-diverse composition of the population in the City of Zurich by taking into account the individual living conditions of the inhabitants and do therefore provide tailor-made solutions to the participants. These arrangements are oriented towards the individual needs and attitudes of their target audience. Examples might be the programme Fit4Work that offers an assessment of personal strengths and an individual coaching and mentoring approach or the empowerment of children and adolescents through specific sports such as the project of Laureus Street Soccer.

### 3.6 CONCLUSIONS

In Switzerland, diversity is not (yet) a term of high political relevance, and it is not clearly related to a certain policy field. However, the concept of diversity is encountered most in the field of integration policy and has further connections with public community work and housing policies. Therefore, the preoccupation with diversity mainly refers to cultural and ethnical differences as well as to immigration issues.

Immigration generally ranks high on the political agenda: a quarter of the current Swiss population had immigrated since 1945 or has at least one parent coming from a foreign country (TAK, 2005). Migration thus enhances the population growth in Switzerland more strongly than in other immigration countries like Canada or the US. With the beginning of the new century, the approach towards immigration changed: the national policy on foreigners, which was rather employer-driven and mainly drew on admission restrictions, adopted the concept of integration. Thereby, integration is defined as a mutual process between the migrant and the Swiss population, providing rights and obligations for immigrants. Due to the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland that came into force in 2002, the legislation on integration only applies to immigrants from non-EU/EFTA countries. The Swiss integration regime is thereby considered strongly assimilationist (Manatschal, 2011). The steady immigration also arouses fears in the Swiss population, which has led to a strong negative attitude towards immigrants, especially from Muslim countries.

Across all state levels, immigration per se is perceived as mainly positive. Regarding the understanding and the use of the term ‘diversity’, there are clear differences between the three state levels, though. At the national level, the guideline ‘to consider diversity as a valuable
part of society’ is one of four basic principles of integration policy. The main objective of the Swiss integration process is a peaceful co-existence in mutual tolerance, but diversity per se is generally not something that should be supported or even expanded – it is not regarded as an asset. Furthermore, the term is not often used in the national discourse. The process of integration should then be realised in two ways. On the one hand, the state should provide equal opportunities for migrants to become part of the political, the economic, the social and the cultural life. On the other hand, individual responsibility is required. Immigrants should make a personal contribution to their own integration.

The integration policy of the Canton of Zurich and its understanding of diversity are in accordance with the national level. The concept of diversity is not interpreted in a different manner. According to the cantonal integration officer, diversity is just a new label for integration and does not add value. It is therefore not frequently used. The twofold integration principle ‘to encourage and to require’ is also applied in the Canton of Zurich – immigrants should be encouraged in their integration and their participation, but they are similarly asked and sometimes formally obliged to integrate themselves into society.

In contrast to the national and the cantonal strategies, the City of Zurich frequently uses the term ‘diversity’, and it does so in a more positive way. The city wants to be seen as open and cosmopolitan, thus diversity is a location factor and should therefore be actively sustained and guaranteed. Contrary to higher state levels, diversity is clearly called ‘a gain and a potential’ (City of Zurich, 2012c). Whether diversity is just regarded as a location factor or as a positive end goal in itself thereby depends on the policy field and on the individual office of the city administration. For instance, the Office for Social Services takes a slightly different approach here than the Office for Urban Development. Regarding the concrete process of integration, the City of Zurich refuses repressive measures and rather relies on support and empowerment. Demanding responsibility or individual contribution of the immigrants is not a pronounced part of its understanding of integration. This difference to higher state levels becomes evident in the wording of the integration guidelines: confederation and canton ‘require individual responsibility’ while the city wants to ‘enable individual responsibility’.

These ideological differences between the city and higher state levels are caused by the different proximity to the ‘object’ on the one hand and by the different political context on the other hand. The City of Zurich was always directly confronted with a high influx of immigrants and was therefore forced to find new and innovative ways to integrate newcomers already decades ago. It thus seems very probable that a more open and pluralist conception of diversity emerged. Additionally, Zurich is politically dominated by left-wing parties – contrary to the cantonal and the national level – which corresponds to a more open and welcoming approach towards immigration.

Nevertheless, the kind of diversity addressed does not differ between confederation, canton and city – the discourse mainly refers to cultural or ethnic diversity. Socio-economic and socio-
demographic aspects of diversity also play a role sometimes, but they are primarily connected with immigration and the presence of different ethnic groups in Switzerland.

The interviewed representatives of relevant NGOs criticised this emphasis of the Swiss diversity discourse on cultural and ethnic issues. In their opinion, socio-economic diversity is a far more relevant category than migrant background and has been given too little attention until now. Socio-economic inequalities may be less visible than ethnic diversity, but they are arguably far more relevant and challenging with respect to the three overarching objectives investigated by the DIVERCITIES project – strengthening social cohesion, boosting economic performance and enhancing social mobility, and should therefore not be neglected.

Furthermore, at all state levels, there is a clear emphasis on discourse relating to diversity and integration upon the integration of immigrants into the labour market and their contribution to the economy, which is also widely criticised by the representatives of the NGOs. They argue that diversity is too often seen in economic terms only, which does not necessarily contribute to a better social integration of immigrants. Swiss integration policy mainly aims to strengthen social mobility – i.e. the possibility of immigrants and their children to move upwards in society with respect to employment and income – and at boosting economic performance in Switzerland. However, the ideological differences between the state levels become apparent here as well: only the City of Zurich explicitly focuses on enhancing social cohesion through the involvement of migrants into decision-making processes and by providing spaces of socio-cultural encounters and activities.

The analysed bottom-up initiatives have quite a different understanding of diversity than the public authorities, similar to the larger NGOs. Instead of the one-sided concept of ‘integration’ that is used by Swiss public authorities, the investigated initiatives often use terms such as ‘interculturalism’ and ‘inclusion’. The representatives of the initiatives argue that immigrants should be met on an equal footing and that emphasis should be placed on spaces of encounter and interaction. Key officers in the public administration could foster greater self-reflection in this regard. However, in their perception of diversity, the initiatives are closer to the diversity concept of the city authorities that is more pluralist and positive than at the cantonal and federal level. The pursued objective of the city administration of ‘promoting a culture of positive welcome’ (City of Zurich, 2009: 8) is certainly an important step in this respect. The development of a ‘welcome culture’ and of approaching immigrants on equal terms could be expanded at all state levels.
4 RESIDENTS DEALING WITH DIVERSITY

4.1 INTRODUCTION

Within cities, groups can live segregated from different groups or mixed with different groups. Urban neighbourhoods may be fairly homogeneous residential areas in terms of housing and population but also can be heavily mixed with respect to types of housing (tenure, type, price) and population categories (income, ethnicity, household composition, age). In addition, individuals who belong to the same ‘official’ demographic category may possess quite different lifestyles and attitudes and be involved in a wide range of activities. For example, some may have a neighbourhood-oriented life, with all of their friends and activities located at a small area, while others may have their social activities stretched over the whole city or beyond. Residents of mixed urban neighbourhoods may live together happily, live parallel lives, or be in open conflict with each other (Tasan-Kok et al., 2013).

This chapter spotlights inhabitants: we aim to find out how urban hyper-diversity affects the social cohesion and social mobility of residents from deprived and dynamic urban areas. Drawing on qualitative semi-structured interviews with different inhabitants at our case study area, we explore their experiences of living with hyper-diversity and the impact it has on their lives.

This general aim can be broken down into more-detailed and concrete research questions which are central to the following sections of this chapter:

- Why did people move to the diverse area at which they live now? To which extent has the area’s diversity been a pull factor? Were other aspects (e.g. the availability of inexpensive dwellings) much stronger motives to settle at the present area? (Section 4.3)
- What do residents think about the area at which they live? Do residents see their neighbourhood’s diversity as an asset or a liability? (Section 4.4)
- How do residents make use of the diversified areas they live at? Do they actively engage in diversified relations and activities at their neighbourhood? To which extent is the area they live at more important than other areas in terms of activities? (Section 4.5)
- To which extent is the residential area’s diversity important for social cohesion? Which elements foster social cohesion, and which elements hinder the development of social cohesion at the area? (Section 4.6)
- To which extent is the neighbourhood’s diversity important for social mobility? Which elements foster social mobility, and which elements hinder social mobility? (Section 4.7)
- How do the inhabitants of the area perceive diversity-related policies? (Section 4.8)
The main results of the analysis on how urban diversity affects social cohesion and social mobility among the interviewed inhabitants are threefold:

• First, most residents view the intense diversification of their neighbourhood positively. Even though they have weak ties to the neighbourhood generally, they can profit from getting in contact with people of other backgrounds, views and ways of life. Everyday encounters with different people promote intercultural learning and tolerance.

• Secondly, at their neighbourhoods, inhabitants make especial use of what Blokland and van Eijk (2010) call ‘functional diversity’ (e.g. the range of shopping facilities or cultural offers). There are only a few strong ties among different groups of people, despite a common use of the same public spaces. However, these different groups mostly live peacefully together, which is considered valuable by the interviewees.

• Thirdly, in order to strengthen intergroup contacts, it is crucial to provide spaces of encounter at which people can come together easily. Community centres play a key role in supporting migrants, families and older people and in bringing different people together. Furthermore, public green spaces facilitate peaceful coexistence and make diversity visible.

This chapter is divided into nine sections. Following this brief introduction, the next section presents an overview of the applied methodology and main characteristics of the interviewees. In the following six sections, we will answer the research questions as outlined above. In the conclusions, we summarise the key results and address our main research questions.

4.2 METHODOLOGY

4.2.1 Selection procedure: how did we select our interviewees?
Between October 2014 and May 2015, we conducted 49 interviews with residents of Districts 4 and 9. The sampling was not representative but instead was theoretically founded. The main rationale behind the sampling procedure was to have a diverse selection of interviewees, mainly with respect to their ethnic and cultural backgrounds. We intended to find interviewees from all waves of immigration as well as native-born residents.

Additionally, we considered that the sample of interviewees also should be diversified with respect to individual factors, such as gender, age, level of education, socio-economic status, profession and family status. With respect to spatial factors, the interviewees should be distributed relatively equally among the two districts and the five neighbourhoods at our case study area (Werd, Langstrasse and Hard at District 4 and Altstetten and Albisrieden at District 9).

The selection procedure involved different steps. For the first step, we contacted possible interviewees through different entry points, namely the 10 bottom-up initiatives investigated among the previous stage of the project, migrant associations, other local associations, community centres, district associations, religious institutions and personal contacts. From this sample, we continued searching for interview candidates using snowball sampling. We also
visited community centres and meetings of migrant associations to get in contact with possible interview candidates directly.

Despite continuous efforts, interviewees with certain characteristics are underrepresented throughout the sample. There are twice as many female respondents as male respondents. Furthermore, our sample does not represent people with lower educational levels adequately. From the group of immigrants, our sample underrepresents people with a Mediterranean or former-Yugoslav background.

4.2.2 Some general characteristics of the interviewees

Of the respondents, 29 live at District 9 and 20 at District 4. There are 33 female and 16 male interviewees. The age of the interviewees ranges from 27 to 84, and the largest group of interviewees belongs to the 31-45 age group (18 interviewees).

The respondents included 26 native-born residents and 23 with a migrant background. We classified the interviewees with a migrant background according to the four waves of migration that Switzerland has witnessed since the Second World War:

- four interviewees are immigrants from Mediterranean countries (mainly Italy, Spain, Portugal and Turkey) who arrived between the 1950s and 1980s, representing the first and second waves of immigration;
- one person is an immigrant from the countries of former Yugoslavia who arrived during the 1990s, representing the third wave of immigration;
- nine interviewees are highly skilled immigrants from the European Union or Asia who arrived beginning at the start of the 21st century, representing the fourth wave of immigration;
- five interviewees are second-generation migrants with roots in Mediterranean countries and
- four come from other countries.

Since home ownership is rare in Zurich, homeowners are not represented strongly in the sample. Four respondents are homeowners, and 45 respondents live at rented housing, which includes 19 who live at social housing. The interviewees were assigned to the following household forms:

- Single household: 14 interviewees
- Coupled household: eight interviewees
- Two-parent household with one or more (grown-up) children: 15 interviewees
- Single-parent household with one or more (grown-up) children: four interviewees
- Three-generation household: one interviewee
- Shared flat: seven interviewees

In terms of various income groups, we managed to find interviewees from all defined categories; the largest group of interviewees belongs to the middle-low income group. The interviewees’ households were assigned to the following categories (four interviewees are unassigned):
Most of the interviewees are well educated. Based on the classification of the Federal Statistical Office (FSO, 2008) and the International Standard Classification of Education (ISCED), the interviewees were assigned to one of the following groups:

- No post-compulsory education (ISCED 0-2): three interviewees
- Secondary level (ISCED 3-4): 19 interviewees
- Tertiary level (ISCED 5-6): 27 interviewees

In terms of religious affiliation, a large proportion of the interviewees consider themselves as having no religious beliefs (18 interviewees). The other interviewees included Protestants (12 interviewees), Catholics (11 interviewees), Orthodox Christians (3 interviewees), Muslims (2 interviewees) and Hindus (2 interviewees). Two interviewees are unassigned.

### 4.3 HOUSING CHOICE AND RESIDENTIAL MOBILITY

A *housing career* can be defined as ‘the sequence of dwellings that a household occupies during its history’ (Pickles and Davies, 1991: 466 in Bolt and van Kempen, 2002: 402). The literature has shown that advancement from poor-quality to better-quality dwellings – the term ‘housing ladder’ often is used in this context – is rather normal throughout one’s housing career (Bolt and van Kempen, 2002: 403).

Why people move to a particular area or dwelling depends on a combination of factors. According to Mulder (1996: 214), there are two kinds of triggers for moving which can be distinguished: the *existence of a certain state* (e.g. dissatisfaction with the current housing situation) or the (future) *occurrence of an event* (e.g. marriage, divorce, education, job, leaving parents’ home). Similarly, Clark and Onaka (1983) distinguish between adjustment moves and induced moves (and forced moves). An *adjustment move* is characterised by people’s motivation to change their housing situation in terms of the housing unit, the neighbourhood or accessibility. An *induced move* is initiated by changes to economic (e.g. changes in employment) or demographic characteristics (e.g. a new household formation). Which kind of housing at which area that is considered suitable for one’s current life situation furthermore depends on personal characteristics, such as age, income, education or the household situation.

When looking at why people move or have moved, it is important to look at not only their intentions but also other factors which might facilitate or hinder their decision, such as housing opportunities and individual resources (Mulder, 1996). Individual resources might be a strong limiting factor for improving one’s housing situation (Bolt and van Kempen, 2002). Housing
opportunities at the City of Zurich are limited, as the conditions within the housing market are tense. Land property at the City of Zurich is rare and expensive, which is why home ownership is rather exceptional: three out of four households at the City of Zurich live at rented flats (Statistical Office of the Canton of Zurich, 2014). Furthermore, cooperative housing is remarkably common in Zurich: 15% of all households live at cooperative flats (ibid.), compared to only 2.8% throughout Switzerland (FSO, 2015e).

For the present section, we will investigate the following research questions:
• Why did people move to the diverse area at which they live now?
• To which extent has the area’s diversity been a pull factor?
• Were other aspects (e.g. the availability of inexpensive dwellings) much stronger motives to settle at the present area?

4.3.1 Why did the residents come to live here?

The interviewees have lived at the case study area for varying periods of time. The decisions to move and where to move are always a combination of various factors and external circumstances.

Many respondents pointed out that finding a dwelling at the City of Zurich is not easy. It is common knowledge that Zurich faces a housing shortage. Areas close to the city centre of Zurich, which includes District 4 in particular, are especially popular. The housing shortage limits dwellers’ opportunity to choose a particular neighbourhood actively, as the following statement nicely illustrates:

“Actually it was not like a choice because finding a flat is really difficult in Zurich.” (R4, male, 28, PhD student, Iranian)

Various factors influence the decision to move, including characteristics of the neighbourhood and factors unrelated to the neighbourhood. For some respondents, the structural characteristics of the dwelling were one of the crucial factors (e.g. wheelchair accessible). Other respondents moved in with a person who already was living at the neighbourhood, which means that the connection to this person was decisive. A few respondents had a job at the particular neighbourhood and stated that proximity to the workplace was an important factor in moving to the neighbourhood. In the following, we will not discuss these factors in detail. We will focus on factors which are related to the characteristics of the neighbourhood.

In terms of motivations to move to the particular neighbourhood, respondents can be divided into two categories. About half of the respondents were looking for a dwelling in a particular neighbourhood explicitly, whereas the other half of respondents searched for a dwelling at the City of Zurich but not a particular neighbourhood. These two categories correspond primarily to the distribution across the two districts of the case study area. The majority of respondents at
District 4 were looking for a dwelling at District 4 actively, whereas the majority of respondents at District 9 were looking for a dwelling at the City of Zurich generally.

Looking for a dwelling at a particular neighbourhood

Looking for a dwelling at a particular neighbourhood requires prior knowledge about the city and its neighbourhoods. This might be a reason why people looking for a dwelling at a particular neighbourhood were moving within the city or from other parts of Switzerland rather than coming from abroad. In the following, we will discuss two aspects that turned out to be important in respondents’ preference for a particular neighbourhood.

*District 4 as a central, urban and hip neighbourhood* was a main attraction for some respondents. This especially includes young (18-30 and 31-45 age groups) and well-educated (tertiary education) people who are relatively new to the neighbourhood (fewer than 10 years of residence). They mostly have a Swiss or German background and also can be described as ‘gentrifiers’. They were looking for a lively urban area actively and did not want to live at a ‘sleeping’ neighbourhood.

The attitude of people living at the neighbourhood was relevant for some interviewees. One respondent stated that she considers it important that people at her neighbourhood have a similar political attitude. Voting results of her constituency served as a basis to assess the political views of neighbours. Interestingly, the respondent herself does not have Swiss citizenship and therefore cannot vote:

“I have to say, an important reason to live in District 4 was that considering all voting and election results in Switzerland, the results of my constituency of District 4/5 suit me most. [...] It shows that I am living among like-minded people and for me personally, this is very important; it is a crucial factor when choosing a place to live.” (R8, female, 41, executive secretary, German)

The attitude and way of thinking of people living at the neighbourhood also mattered for some middle-aged respondents (31-45 and 46-60 age groups) who already had lived at District 4 for around 20 years. For some cases, the decision to move was influenced by the person’s way of living and the motive to be among people with a similar attitude, as the following statement illustrates:

“Of course you like to settle in an area where your cultural group resides. I attended the Zurich University of the Arts.” (R13, female, 48, freelance filmmaker, Austrian)

The central location and the associated possibilities to go out were especially important to younger respondents. A respondent who had lived at the neighbourhood before was willing to pay more than she actually wanted to pay so that she could stay at the area:
“The neighbourhood was important and I wanted to stay in District 4. Well, actually, I didn't want to move to such an expensive flat as the one I found now. But I absolutely wanted to stay in the neighbourhood. I think this neighbourhood is especially cool for young people. It is central and there are a lot of places to go out. I just didn't want to give this up.” (R23, female, 28, manager communications, Swiss)

Rootedness at the neighbourhood was an important factor for some respondents who were looking explicitly for a dwelling at Districts 4 or 9. They either grew up there or already had lived at the area for a long time (more than 30 years). This includes people with different backgrounds, aged 28 to 71 years and from different educational levels. At District 4, the interviewed migrants all have a southern European migration background (second or third-generation), which can be attributed to the history of the district. The following statement from a respondent from District 9 illustrates her emotional attachment to the neighbourhood:

“The neighbourhood was especially important when we were looking for a dwelling. I grew up here, and it was always clear that I want to raise my children here. From this point of view, it is no coincidence that we live in Albisrieden.” (R20, female, 44, employee in school administration, Swiss)

Not only did people who grew up at the neighbourhood develop an emotional bond with the neighbourhood but also people who initially came to the neighbourhood for other reasons. A first-generation migrant who came to Switzerland 14 years ago also has strong links to the neighbourhood:

“Since 2001 we have live in Switzerland, in Alistetten. If I had to go somewhere else, this would also be a new place for me. I am away from my home country and in the meantime I know a lot of people in Alistetten. I am not the foreigner anymore. I have a lot of friends from my home country but also from Switzerland. This is why I don't want to change the situation. If I would go somewhere else, I could also find a flat there. But I would have to find new friends. That is why I like to live here.” (R24, female, 37, childcare worker, Indian)

Looking for a dwelling at the City of Zurich but not at a particular neighbourhood
The majority of respondents from District 9 were looking for a dwelling at the City of Zurich but not a particular neighbourhood. The small-scale nature of the city might be a possible explanation for the secondary importance of the neighbourhood. Furthermore, the tense housing market ‘forced’ some respondents to look at the whole city. In the following, we will discuss some aspects, which were important to respondents when looking for a dwelling at the city.

An open-minded neighbourhood at the city was an important pull factor for a few respondents from District 9. They came to the neighbourhood because they were looking for a culturally diverse neighbourhood, which they expected to find at the city rather than outside the city.
They also might have ended up at another diverse neighbourhood of Zurich, as they had no specific preference for District 9. Some respondents were motivated to look for a culturally diverse neighbourhood to fit in better, either because of their own or their partner’s foreign background.

For a Swiss female respondent who was originally from an agglomeration municipality, a diverse neighbourhood was an important pull factor. She actively was looking for an area at which foreigners were present when she moved to the area 25 years ago. As she was married to a foreigner at that time, she preferred to live at an environment at which they would not stand out. She said that the decision to move to an area with many foreigners also was linked to the hope of experiencing more tolerance and acceptance of her own life situation. She explained:

“I was married to a foreigner [when we moved to the area]. I thought it would be better to move to the city, as there were generally not many foreigners living here at that time. He was African so you could see immediately that he is a foreigner. That is why I thought it would be better to be in the city.” (R30, female, 48, secretary, Swiss)

Years later, the same respondent moved within District 9. Because she was separated from her partner at that time, she was looking for a neighbourhood with fewer foreigners. She said:

“The flat did anyway not fit my needs, but I have to say I would have been probably the only Swiss far and wide. This would have been a reason for me not to move there. I did not want to live again amongst so many foreigners.” (R30, female, 48, secretary, Swiss)

A first-generation, non-European migrant who came to Switzerland as a refugee also actively was looking for an environment with more foreigners. For her, a culturally diverse neighbourhood meant more opportunities, greater acceptance and a better chance to integrate, as people at those neighbourhoods are used to foreigners:

“In 2005, we were living in the agglomeration of Zurich. […] Then we came to Zurich because we realised our place of living was a small village where it is difficult as a foreigner to integrate. You have limited opportunities. But Zurich is big and there are many foreigners living here. This is why we moved to Zurich”. (R46, female, 35, translator and childcare worker, Eritrean)

The availability and affordability of housing at a good location was important for many respondents, especially for respondents living at District 9. Both respondents who moved to the city from abroad and respondents who moved to District 9 from other parts of Switzerland or other parts of the city made use of the availability and affordability of dwellings at District 9. Several respondents perceived it as a coincidence that they ended up at District 9. However, if people are looking for available and affordable dwellings at the City of Zurich, they are most likely to end up at District 9. The following statement clearly shows that the availability of an affordable dwelling was decisive:
“No, it was coincidence. We were looking for a dwelling, and in this neighbourhood, there were available dwellings. And then we got one. But it did not have to be in Albrisrieden or in another particular district”. (R6, female, 40, lawyer, Swiss)

Respondents with children looking for a bigger flat said that District 9 was a good option, as it is an area at which affordable dwellings are still available in comparison to other areas at the city. The following statement serves as an illustration; there were many interviewees with similar statements:

“We were first living at another place and then due to familiar reasons, the birth of our children, we needed a new respectively a bigger dwelling. And then we moved within Altstetten”. (R28, male, 41, service worker, German)

Summing up, we can say that diversity was not too important as a pull factor. For respondents who actively were looking for a particular neighbourhood, the character of District 4 as a central, urban and hip neighbourhood and rootedness at the neighbourhood were crucial factors. Respondents who were looking for a dwelling at the City of Zurich were looking for an open-minded neighbourhood at the city and available and affordable housing at a good location.

4.3.2 Moving to the present neighbourhood: improvement?

The previous section showed that it is not always easy to assess whether moving to the present neighbourhood is an improvement for the respondents. For most cases, the move can be described as what Clark and Onaka (1983) call an adjustment move, as the current housing situation better suits people’s current life situation and better corresponds to their needs, such as the need for a bigger flat because of children, the need for a wheelchair-accessible flat or the need for a flat which meets the requirements of older people. For other cases, it can be considered an induced move, as described by Clark and Onaka (1983), which is a progressive life step (e.g. moving out from their parents place, moving in with a partner or moving to the city [from abroad or from other places in Switzerland] because of a job).

As there always are different factors coming together, it is sometimes unclear whether moving is an improvement. Some aspects might be improved while other aspects might have not or might have gotten even worse. For the case of a respondent and her family, moving to their present flat partially can be considered an improvement, as the bigger flat better suits their life situation with a child. However, there are negative aspects, as they moved because they were not able to afford a flat at the area they had lived before and where they would have preferred to stay. For another respondent, it is the other way around, as he had to move from a 2.5-room flat to a 1-room flat so that he could stay at his preferred neighbourhood.

The only group of respondents for whom moving clearly can be considered an improvement were homeowners. This is hardly surprising, as it might be assumed that they were actively
looking for housing property and were looking only at preferred areas. The following statement by a homeowner nicely illustrates these two aspects:

“We were always and very eagerly looking for our own house. […] I really have to say it was better than winning the lottery jackpot. The place where we lived before was nice and we had a great flat. But we always wanted to come back to this neighbourhood.” (R21, male, 75, retired, Swiss)

Only a few respondents mentioned problems other than the tense housing market when searching for a suitable dwelling and improving their housing situation. A respondent of Indian origin mentioned some problems in improving her housing situation due to her background:

“It is very difficult to find a flat in Altstetten. It is even more difficult for foreigners. My husband works as a computer scientist, and we can afford to pay a bit more. Once we found a better flat and we also applied for it. But we were told that the flat is not given to Indians.” (R24, female, 37, childcare worker, Indian)

However, most of the respondents with a migration background did not refer to any problems they faced in improving their housing situation due to their cultural or ethnic background.

Most of the respondents are satisfied with their present housing situation overall. Some respondents are not satisfied with particular aspects of their housing situation, such as the price, the location or the characteristics of the housing unit. Depending on individual characteristics, such as age or whether the housing situation is a temporary or long-term solution, other aspects are important when assessing the present situation. Especially for some young respondents (18 – 30 and 31 – 45 age groups), location is an important factor. It can be assumed that in order to live at a dwelling at a preferred location, they are willing to accept disadvantages at other areas, as the following statement illustrates:

“But for me, the location is sometimes even more important than the flat itself.” (R14, female, 28, employee in publishing management/marketing, Swiss)

In conclusion, it can be said that for most respondents, their current housing situation, irrespective of whether it is a short-term or long-term solution, better suits their life situation and therefore can be considered an improvement. However, it is sometimes not possible to assess whether it is an improvement. Some factors might improve while some might get worse.

4.3.3 Conclusions

Respondents moved to the diverse area at which they live for various reasons. Besides factors, which are independent of the neighbourhood, such as the characteristic of the dwelling, we were able to identify different pull factors, which are differentiated at the neighbourhood and city levels. Some respondents were looking explicitly for a dwelling at a particular neighbourhood.
For some of them, the urban characteristic of the neighbourhood was a decisive factor, while others grew up at the neighbourhood and felt emotionally attached to it. Other respondents were looking for a dwelling at the city but not at a particular neighbourhood. Some of them were looking for an open-minded neighbourhood and hoped to find it in Zurich. For many, the availability and affordability of dwellings at the City of Zurich were determining factors.

The area’s diversity was not a main pull factor. Only a limited number of respondents actively were looking for cultural diversity. Those who were looking for cultural diversity were looking for an environment at which they would not stand out because of their background or life situation. This means that even though they were looking for a culturally diverse neighbourhood, they were looking for similarity in terms of life situation or background so that they would fit in. The analysis furthermore showed that some respondents actively were looking for similarity in terms of attitude and lifestyle.

Concerning their current housing situations, we conclude that most respondents are satisfied, though one must consider that our sample underrepresents people with very low incomes. Even though it is not always clear whether the housing situation improved as different factors came together, in almost all cases, the dwellings suit respondents’ current needs.

4.4 PERCEPTIONS OF DIVERSITY IN THE NEIGHBOURHOOD

From the literature, we know that people’s perception of diversity in the neighbourhood depends on where they meet other people (i.e. at public spaces, semi-public spaces or private spaces; Wessendorf, 2013). People also deal with diversity differently, depending on the spaces at which they interact with others. Wessendorf (2013: 393) found that at public spaces, people acknowledge cultural differences and perceive ‘diversity as a normal part of everyday life’. The literature furthermore shows that there might be a discrepancy between the perception of individuals and groups; stereotypes about certain groups can coexist with everyday friendly interactions at a diverse neighbourhood (ibid.). ‘Positive encounters with individuals from minority groups do not necessarily change people’s opinions about groups as a whole for better’ (Valentine, 2008: 332).

As outlined in Chapter 2, the two case study areas at Zurich were chosen because of their diverse and dynamic environment. The characteristics at the neighbourhoods within the districts vary considerably. Some neighbourhoods have a rather village-like character, while others are well known for their nightlife. Furthermore, the share of foreigners ranges from 18.1% (Dunkelhölzli, District 9) to 53.2% (Hardhof, District 9) (City of Zurich, 2011: 10).

In the present section, we explore the following research questions:
• What do residents think about the area at which they live?
• Do residents see their neighbourhood’s diversity as an asset or a liability?
4.4.1 Perceived boundaries of the neighbourhood

Before talking about perceived boundaries, the meanings of some German terms and their respective English translations need to be clarified. The German term ‘Kreis’ – translated as district – describes an administrative unit. At District 4, the term is used in everyday language, and residents also refer to the district as ‘Kreis 4’. At District 9, the term refers to the administrative unit, though ‘Kreis 9’ is not too present among people’s perceptions. The German term ‘Quartier’ – translated as neighbourhood – describes an administrative unit below the level of Kreis and also is often an important reference point; people would talk about or refer to their ‘Quartier’ when talking about the area they live at. At District 9, the neighbourhoods of Altstetten and Albisrieden are rather present. At District 4, the neighbourhoods of Werd and Hard are less present, which might be due to the small-scale structure of the district. The neighbourhood of Langstrasse, however, often is used as a synonym for the whole district.

The German term ‘Nachbarschaft’ – translated as vicinity – not only refers to the geographical space, such as Kreis and Quartier, but also to its community. Thus, it describes not only all neighbours in a certain area but also the relationship among neighbours (Duden, 2015).

What interviewees perceive as boundaries of their neighbourhood varies. In terms of spatial extension, it covers a wide range from small- to large-scale perceptions (see figure 4.1). For an interviewee working full time in another city district, only the area between the location of the dwelling and the next bus station counts as a neighbourhood, which is around 100 meters (marked red). Most interviewees perceive the neighbourhood boundaries as broader yet still smaller than the district borders (marked orange, green and purple).

For one interviewee, the neighbourhood is even broader and includes the area around the Limmat River between the lake and the city boundary, thereby going far beyond the official borders of the district the person is living at. In contrast, a full-time working respondent living between a busy road and the railway tracks on the outskirts of the city does not consider it a neighbourhood at all:

“There is no neighbourhood, there is nothing for me there. […] Where I live is nothing but a street.” (R48, female, 27, kindergarten teacher in training, Swiss)

At both districts, some people know where the official borders are and others were not always sure. Knowingly or unknowingly, the perception of the neighbourhood is not always bound to official district boundaries, as the following statement shows:

“Theoretically, I know where the district borders are, but I don’t perceive it like that.” (R20, female, 44, employee in school administration, Swiss)

The analysis furthermore showed that for some respondents with various backgrounds, the built environment plays a crucial role as reference points and for defining neighbourhood boundaries.
An example mentioned by several people is the Langstrasse railway underpass, which separates District 4 from District 5. As District 9 lies at the city border, natural boundaries such as forest play an important role at that area. The area of Grünaup is separated from surrounding areas by built (e.g. railway tracks) and natural boundaries (e.g. river). Several inhabitants described these boundaries as ‘given’ and describe their neighbourhood accordingly (marked blue in figure 4.1). Most inhabitants do not see Grünaup as part of Altstetten, as the following statement illustrates:

“Actually, for a long time, I didn’t realise that we belong to Altstetten. I even never had the feeling that we belong to Altstetten; District 9 yes, but not Altstetten.” (R33, female, 50, disabled, Swiss)

Elsewhere, inner-city boundaries among other districts seem more permeable. Districts 4 and 5 often are mentioned together, as they somehow ‘belong’ together. The analysis furthermore showed that for some interviewees, the two neighbouring districts, Districts 3 and 5, belong more to their neighbourhood than other adjacent districts (such as District 1). Some of the interviewees living at District 4 consider some parts of Districts 3 and 5 part of their neighbourhood, but the border between Districts 4 and 1 seems to be rather fixed. As an interviewee of District 4 explained:
“District 5 is our neighbouring district. I would define it as neighbouring district in contrast for example to District 1, even though they are also neighbours.” (R11, female, 45, stagehand, Swiss)

The spatial proximity of the place of living to these neighbouring districts might be an important factor, as some of the inhabitants live rather close to Districts 3 and 5. Furthermore, the similarity of District 4 with Districts 3 and 5 – a hip, central neighbourhood with a lively cultural scene – certainly has an effect.

Several interviewees provided some explanations on why they perceive the boundaries at a particular place. The space they make use of for everyday practices and the radius of movement within the neighbourhood turned out to be crucial factors. A respondent explained:

“This is as well the area I use most and thus this is my neighbourhood.” (R3, female, 36, employee at a radio station, Swiss)

Some respondents explained that they perceive the area which lies within walking distance or is accessible by bike as a neighbourhood. For an interviewee with children, the limits of the neighbourhood changed according to where the children went to school. Daily shopping or walking around the neighbourhood are other everyday practices that influence the perceived boundaries. The neighbourhood is perceived as bigger or smaller according to the range of movement. For one respondent, everyday practices at the neighbourhood often are limited to the distance from the house to the next bus station. He perceived the neighbourhood as small. Other respondents who regularly make use of the area at the neighbourhood for everyday practices perceive the boundaries as broader.

4.4.2 Perceptions of neighbours

As the introduction outlined, diversity, by this project’s definition, refers to not only an intense diversification of the population in socio-economic, socio-demographic, ethnic and cultural terms but also with respect to lifestyles, attitudes and activities. When analysing the interviews, we tried to look at which categories emerged more strongly throughout interviewees’ descriptions of neighbours. For most of the statements, a combination of categories came up.

Socio-demographic aspects were present, and many respondents specifically referred to the age of neighbours. Inhabitants of District 9 especially referred to many older people and children at the neighbourhood. After referring to the socio-economic and the cultural background, an interviewee said:

“The age mix is, the younger couples are often in my age, in their mid-thirties; this is very nice. And then there are these other renting parties: they have already lived in Albisrieden for a long time and are rather older.” (R9, female, 37, lecturer, German)
Ethnic or cultural aspects turned out to be rather present when describing neighbours. At District 4, many inhabitants noticed a lot of foreigners. Interviewees often mentioned the origin or migration background of their neighbours. Some knew from which countries their neighbours came, but others could not tell exactly. Countries that frequently came up were Germany, Italy, Spain and the Balkan countries, which reflects the composition of the population at Zurich. Almost no interviewee referred to religion when describing neighbours. The following expressions from various interviews show the wide range of how ethnic diversity was referred to:

“a lot of migrants”, “no asylum seekers”, “Swiss mostly”, “people with migration background”, “a lot of bi-national couples”, “people from different countries”, “a bunch of Swiss”, “in the meantime Swiss citizens”, “low ratio of foreigners”.

Statements regarding the living situation of neighbours also were present. Almost every statement included something about single households, shared flats or families. The socio-economic aspect was less present in the description of neighbours. Few interviewees referred to attitudes and lifestyles of their neighbours. Few inhabitants of District 4 consider the presence of creative industries at the neighbourhood an important factor constituting an urban lifestyle, as the following statement illustrates:

“I think there is no one living here with the wish to have a house in the countryside, more the urbanity and being rooted in the city. There are also a lot of people who have something creative as a side-line or even as a main profession. Actually a real big city life, if you can call Zurich a big city.” (R3, female, 36, employee in a radio station, Swiss)

The analysis showed that not all aspects emerged to the same extent when describing neighbours. Socio-demographic aspects were rather dominant, which might be related to the fact that some of these characteristics are easily visible. The strong presence of ethnic and cultural aspects might be influenced by other factors. As the results at previous stages of the project showed, the concept of diversity at Switzerland is associated mainly with ethnic and cultural aspects (see Chapter 3). Furthermore, District 4 especially is generally known as a multicultural neighbourhood with a lot of foreigners. A possible explanation for the rare occurrence of socio-economic aspects might be that this characteristic is less visible at first sight than other characteristics.

The analysis showed that there are some important factors that influence the perception of neighbours. How much time a person spends at the area, where and when might have an influence on which groups of people are noticed. Several interviewees pointed to the fact that who they notice to a large extent depends on which places at the neighbourhood they use and in which activities they participate. It can be assumed that people with similar lifestyles participating in similar activities will be noticed more strongly, as they use the same space at the same time. Respondents with children make use of the same space (e.g. children’s playground) as other families and therefore are likely to notice them. People going to a bar in a
neighbourhood meet other people using the same bar; therefore, they are likely to notice people with a similar lifestyle.

An issue that came up at District 4 was that it often is not clear who actually lives at the neighbourhood. For instance, the central area of the Langstrasse at District 4 is a popular shopping and nightlife district, with a lot of restaurants, bars and small shops. Some inhabitants of District 4 pointed to the fact that it is not always possible to distinguish between inhabitants and others.

In summary, we found that various aspects of diversity are important to inhabitants of both districts when describing their neighbours. Ethnic and cultural diversity are noticed especially at District 4. At District 9, socio-demographic aspects were more dominant when describing neighbours. Socio-economic aspects were less present at both districts.

4.4.3 Perceptions of the neighbourhood: positive and negative aspects

Positive aspects
The location and surroundings of the living area turned out to be important positive aspects to the interviewees. Many respondents living at District 9 consider it an advantage to live close to recreation areas while still remaining central and close to the city centre. At District 4, the positive aspect of location is related to the centrality of the neighbourhood especially.

Besides the location, the infrastructure and wide range of cultural events play a crucial role for many interviewees. Inhabitants of both districts assess shopping facilities positively, as everything for their daily needs is available at their neighbourhood. Especially at District 4, the wide range of cultural events, restaurants and places to go out is a central element for several interviewees. Families from District 9 see the availability of schools, day nurseries and children playgrounds as a big advantage.

The urban flair and lively neighbourhoods of District 4 turned out to be other relevant aspects. For the majority of the interviewees, it is important to live at a lively area with an urban atmosphere, where 'life really takes place'. Several respondents mentioned that they prefer to live at an area where people not only live but also work, rather than a 'sleeping district'.

Negative aspects
For some District 9 interviewees, the location of their neighbourhood is a slight disadvantage, as the neighbourhood is perceived to be at the periphery. However, most of the interviewees who criticised the location added that it is not a big issue, as there are good connections to the centre of the city.

When asked about disadvantages at their neighbourhood, many District 4 interviewees referred to noise. The issue of noise mainly is related to the fact that District 4 is used in different ways: it is at the same time a living, working and nightlife district. Even though many interviewees
referred to noise as a negative aspect, many added that it is not a big problem and that it is a characteristic of the neighbourhood.

The analysis showed that the drug and alcohol scene, the red-light district and the high presence of police are not at the foreground when talking about negative aspects. Only one interviewee with children mentioned that the drug and alcohol scene at the Bäckeranlage is an explicitly negative aspect, as it is also a place where children play.

Perceptions related to diversity
When asked directly about diversity at the area and whether they perceive it as a positive or negative characteristic, the interviewees from both case study areas stated that in their opinion, it is predominantly positive. Many of the interviewees did not refer to any concrete positive or negative experiences but explained that a diverse population keeps life “exciting”, “interesting”, “lively” and “not boring”. Some respondents explained that they assess diversity positively, as they see no problems at the neighbourhood, particularly related to diversity. The overall positive perception of diversity reflects a cultural value or attitude rather than personal experiences.

For many interviewees with various characteristics, diversity is an aspect of consumption practices; they appreciate the opportunity to visit restaurants and shops from all around the world at the area and a mix of old cafés and new hip places.

The multifaceted composition of people at public spaces was perceived positively in general. Several people mentioned the Bäckeranlage as a good example of a public space at which it is possible for different groups, such as families, young people and people with various backgrounds, to come together. An inhabitant of District 4 sees it more critically and perceives the Bäckeranlage as an example for a lot of diversity but not much mixing. The respondent explained that in her experience, many different groups come together at the Bäckeranlage but they do not mix; every group has their own space at the park (see also section 4.3.3).

Several interviewees see the diverse neighbourhood as an advantage that allows them to get in contact with people – they would not meet elsewhere, people who have a different origin, culture, lifestyle or attitude on life. Some parents see diversity at the neighbourhood as an opportunity for children to get to know different cultures and gain valuable experiences. Therefore, the diverse composition is considered to allow the possibility of broadening horizons and promoting tolerance, as the following statement illustrates:

“I think it is really nice to see that tolerance is built. I think this is a very valuable characteristic of a diverse neighbourhood. To learn tolerance and also to get to know a lot about others.” (R14, female, 28, employee in publishing management/marketing, Swiss)

Furthermore, an inhabitant explained that one needs an attitude of ‘live and let live’ if one is living in District 4. Some interviewees with migrant backgrounds and some young, well-
educated, Swiss respondents explicitly said that they would not feel comfortable living at a less diverse area. In particular, inhabitants of District 4 consider it an advantage that they can be how they are and look how they want without attracting any attention, as the following statement shows:

“I have less a feeling of being measured on the basis of what I wear or how I behave. I feel kind of less observed or more free and at the same time very comfortable.” (R13, female, 48, freelance filmmaker, Austrian)

Some respondents, especially older respondents with Swiss backgrounds, pointed to some problems they see in terms of diversity at the neighbourhood. Social manners in terms of waste disposal, greeting each other or clothing habits were issues that came up. An older respondent considers the strong presence of foreign languages as rather negative, as it triggers a feeling of ‘not being home anymore’. Some interviewees demurred that the school system might suffer from too much diversity. They hold the view that at the moment, the social mix is good and everyone feels fine with it. However, the balance seems to be fragile; a mother demurred that a more diverse composition at schools at the future would also bring a lot of problems.

Another issue related to diversity, which turned out to be central for many inhabitants of District 4, was the ongoing process of gentrification. Gentrification seems to be a current and present issue among the interviewees’ perceptions of their neighbourhoods, as the following statement illustrates:

“In this street, there are I don’t know how many new bars and new galleries. The gentrification coming from the train station is enormous. It is also coming from the Bäckeranlage. There are a lot of houses, which have been renovated and right here they also build a new house. You can also read about it everywhere.” (R15, male, 30, consultant, Swiss)

Many respondents, especially those with a high level of education, assessed the persistent gentrification as a loss of diversity at the district. Increasing housing costs are a barrier to sustaining diversity at the neighbourhood. Gentrification leads to fewer low-income residents and fewer people with migrant backgrounds. It also may be linked to the fear that someday, one might not be able to stay at the neighbourhood anymore: as the district becomes more attractive and the area becomes hip, chic and more organised, old shops or cafés disappear and new shops open. Some interviewees pointed to some concrete examples where gentrification has become visible, like a sauna that became a hamam and the Bäckeranlage. As Talen (2010: 504) wrote, ‘diverse neighbourhoods could become the victims of their own success – i.e. that people moving to a place because of its diversity would ironically end up making the area less diverse’.

However, some respondents also see that something has to be done to preserve the older buildings. The newly built housing complex of Kalkbreite mainly is assessed positively and often serves as a good example. The following statement by an interviewee who lives close to the
Kalkbreite shows that there are two sides to this development. On the one hand, she appreciates what has been built there. On the other hand, she emphasises that it is clearly an object of gentrification:

“Personally I think it is a predicament. The Kalkbreite newly opened and I was really interested what they did there. […] I know, what was built there is in principle a good thing. […] It [Kalkbreite] is actually great, everything is nice, but it is actually also a step away from the District 4, which I really like. And that is difficult. On the one hand, there is probably my personal sense of nostalgia and on the other hand I know, that it could be much worse if a private company would have built something there. It is really not bad but it is clearly an object of gentrification.” (R8, female, 41, executive secretary, German)

As presented above, diversity was considered to be a positive aspect by most of the people interviewed from both Districts 4 and 9. However, other aspects are paramount when assessing the neighbourhood, such as the infrastructure and the location. Furthermore, one needs to keep in mind that the areas at the two districts vary considerably in terms of diversity. Some areas at the districts show high social, cultural and economic diversity, whereas other areas, especially at the city border, are less diverse and have a village-like character.

4.4.4 Conclusions

In this section, we tried to find out how residents view the area they live at and how they perceive diversity at their neighbourhood. We found that most residents think very positively about the area and do not want to live elsewhere. Diversity is a reality and clearly is present among people’s perceptions of their neighbours and neighbourhood. Particularly, socio-demographic aspects are noted, as these characteristics are easily observable. Ethnic and cultural characteristics also were used often to describe neighbours, especially in District 4, which is known as a multicultural neighbourhood. Furthermore, diversity in terms of lifestyles, attitudes and activities is important for some respondents, as it allows them to live the life they want. Socio-economic aspects were mentioned less often, possibly because they are less apparent.

Generally, the majority of the interviewees assessed the intense diversification of the neighbourhood very positively. Many see it as an asset to get in contact with people with different backgrounds, views or ways of life, which can help broaden one’s horizons and promote intercultural learning and tolerance. These results support contact theory, which assumes that ethnic diversity has a positive effect on intergroup relationships due to the continuous intercultural contact that initiates a learning process, correcting negative views of other ethnic groups and reducing prejudices (Allport, 1954; Pettigrew, 1998).

Despite the overall positive assessment, one needs to keep in mind that the sample areas of Districts 4 and 9 vary considerably in terms of diversity. Some interviewees are confronted with a much more diversified neighbourhood than others. The question remains open regarding
whether inhabitants of less-diversified areas would have assessed diversity differentially if they were confronted with more diversity.

4.5 ACTIVITIES INSIDE AND OUTSIDE THE NEIGHBOURHOOD

Public space is where the diverse composition of an area becomes visible and where people are confronted with and have to deal with it (Peters and de Haan, 2011). A central characteristic of a public space is that it is open and accessible to all. Public space includes different kinds of spaces, such as streets, parks or public squares. More broadly, it also includes semi-public spaces, such as public transport or restaurants. Different kinds of public spaces are used in different ways, namely for leisure or for everyday practical purposes. Furthermore, various people or different groups of people often use public spaces at the same time. Interactions at public space are multifaceted. In the words of Peters and de Haan (ibid.): ‘In public spaces, forms of contact range from purely visual interaction as a result of co-presence on streets, in stores and in parks, to friendly conversations and communal activities’.

At earlier times, the neighbourhood was important for activities. At an era of increased mobility, with better transportation facilities and growing incomes, the role of the neighbourhood changed, as other areas became more easily accessible. However, literature suggests that the neighbourhood is still important to residents – for some to a greater extent, for others to a lesser extent – and a unit through which residents structure their actions (Van Kempen and Wissink, 2014). The neighbourhood provides important facilities, such as schools, grocery shops or community centres. As the literature shows, the neighbourhood is especially important for some specific groups. This includes people with a low incomes, immigrants, children and parents and older people (ibid.).

For this section, we will investigate the following research questions:
• How do residents make use of the diversified areas they live at?
• Do they actively engage in diversified relations and activities at their neighbourhood?
• To which extent is the area they live at more important than other areas in terms of activities?

4.5.1 Activities: where and with whom?
Respondents engage in various activities which take place at various places. This includes activities which take place outside of the neighbourhood or the city, such as hiking or travelling. Respondents also stated that they spend time at home reading, cooking or entertaining friends. Living at a diverse neighbourhood does not affect free time spent outside of the city or at home: only free time spent in the neighbourhood might be relevant here. Activities at the neighbourhood include, on the one hand, the use of commercial services, such as going to a café, restaurant, bar, the cinema or using daily shopping facilities. On the other hand, it
includes the use of public local facilities in the neighbourhood, such as community centres, children’s playgrounds or green spaces.

Interviewees stated that they usually spend their free time together with friends and family. The analysis showed that for respondents with children, spending time with family and children is especially important. Meeting friends turned out to be important for almost all respondents. The following statement serves as example:

“I like to spend time with people I like, this is primarily my partner but also friends.” (R7, male, 35, PhD student, Swiss)

Respondents use commercial services and local facilities at the neighbourhood particularly with friends and family. This means that for most respondents, the diverse composition of neighbours is only marginally relevant in terms of with whom they meet during their free time and when undertaking activities. In general, activities with family and friends are of primary importance, and as the next section on social cohesion will show, these connections exist independently from the neighbourhood.

Therefore, most respondents appreciate what Blokland and van Eijk (2010) call functional diversity (e.g. the range of shopping facilities or cultural offers) rather than demographic diversity. Even though demographic diversity is of limited importance for most respondents, the neighbourhood itself plays a crucial role in their everyday lives. However, there are some differences between Districts 4 and 9.

District 4 has a high functional diversity. Several respondents living at District 4 stated that they spend most of their time at the neighbourhood:

“I predominantly spend my free time in the neighbourhood. You become kind of very lazy if you have everything just close by.” (R23, female, 28, manager communications, Swiss)

District 9 is, to a large extent, a rather residential area. There is no huge range of cafés, restaurants or bars, and especially at the Grünau neighbourhood, shopping facilities are limited. Nevertheless, respondents with children in particular stated that they spend a lot of time at the neighbourhood. Important places include the community centres (Bachwiesen, Loogarten, and Grünau), children’s playgrounds and green spaces. A respondent with children explained:

“I regularly visited the community centres and profited a lot. The city garden in the neighbourhood is also a place where we have often been. And of course the numerous children’s playgrounds in the neighbourhood.” (R20, female, 44, employee in school administration, Swiss)

The different types of activities at District 9 are certainly related to the different characteristics of the neighbourhood and to the characteristics of the inhabitants. There are more families and
older people living at District 9 than at District 4. Other places at the City of Zurich also are important. When District 9 respondents go out and meet friends, they often do so outside the neighbourhood.

In summary, it can be said that functional diversity at the neighbourhood matters most. Most of the respondents do not practise diversity in their everyday lives, as they spend their free time with family members and friends.

4.5.2 The use of public space

All respondents use public space and semi-public space to a different extent and for different purposes. Some spaces are used especially for leisure, whereas other public spaces are used for everyday practical purposes.

Important public and semi-public spaces which respondents use for everyday practical purposes include streets, public transport, the train station and shopping facilities. Furthermore, several respondents make use of the local market: Lindenplatz at District 9 and Helvetiaplatz at District 4. In terms of leisure, respondents make use of green spaces, such as the forest, children's playgrounds, public parks, community centres and other local facilities, such as indoor swimming pools. Many respondents also use restaurants, bars and cafés at the neighbourhood regularly.

The public space at the neighbourhood seems to be generally more important for respondents than public space outside the neighbourhood. Respondents go out of the area if they cannot find required facilities within the neighbourhood and make use of public space at neighbouring districts, the city centre or the nearby natural areas. In terms of neighbouring districts, places in Districts 3 and 5 turned out to be especially important, which reflects the findings of section 4.4, as this area partially is perceived as a neighbourhood. Zurich’s city centre is used mainly for non-daily shopping, to meet people or to show guests around. The local mountain, Üetliberg, as well as the lake are particularly important for leisure. Public spaces at other areas of the city, such as Zurich-North (i.e. Oerlikon, Seebach, Schwamendingen), seem to be less important.

In the following, we want to illustrate the different kinds of use of public space at the neighbourhood on the basis of three concrete examples.

**Bäckeranlage – ‘mixing but no mixing’**

The Bäckeranlage is a public space at District 4 that attracts a variety of people. It is one of the few green spaces at the area. The majority of respondents living in District 4, which includes people of different ages, cultural background and of various life situations, referred to the Bäckeranlage and said that they make use of it. According to Kaspar (2012), urban green spaces have, among other things, a social function as local meeting points or places where cultural diversity is perceptible. An interviewee described the mix of people at the Bäckeranlage as follows:
“I think the Bäckeranlage is a nice example to represent District 4, because all kind of people are there. Young people, hip families, Dominicans, beer drinkers etc.” (R14, female, 28, employee in publishing management/marketing, Swiss)

People from the neighbourhood and surrounding areas use the Bäckeranlage. Even though it used by many different people, an interviewee perceived it as a mixing ground but at the same time a place where no mixing occurs, as the park is used by a variety of groups but does not have a lot of contact points:

“The Bäckeranlage is good example for mixing or less mixing. There is a lot going on there and there are many different ethnic groups. But I have the impression that they do not mix at all.” (R13, female, 48, freelance filmmaker, Austrian)

Most respondents did not mention facing any problems when using the park. A young respondent appreciates that so many different groups of people spend time in the park side by side. However, the coming together of various people who use the public space in different ways also holds potential for conflict. A father of two young children who regularly uses the park sees especial potential for conflict between the drug and alcohol scene and families with children:

“I think the Bäckeranlage is an ongoing issue in the neighbourhood. There is this latent conflict between alcohol and drug addicts on one side, the strong presence of police in the middle and then the families and other people.” (R5, male, 35, employee at university and PhD student, German/American)

Kaspar (2012) found that a tolerant co-existence of very different groups is possible in terms of the use and perception of urban public green areas at Zurich. However, she stated that at the Bäckeranlage, regular intervention by security and social services is necessary to maintain the balance among the different groups (ibid.).

Langstrasse – ‘multifunctional public space’
The Langstrasse is a public street and space at District 4 used by a large variety of people. The Langstrasse has a multifunctional role, as it is simultaneously a living area, an important transport axis, a multicultural shopping street and a popular nightlife district. Depending on the type of user and the time of day, it is used either for leisure or for everyday practical purposes. Most respondents who live in District 4 make use of the Langstrasse differently. Though it primarily serves as an important connecting road and is used for everyday practical purposes, respondents from District 4 also use the facilities in the Langstrasse area for leisure, making use of the variety of bars and restaurants.

The area of Langstrasse has undergone some significant changes over the last several years. Gentrification had an influence on how and by whom the Langstrasse and the surrounding area is used. People who live away from the area see the public space at and around Langstrasse
primarily as a nightlife district. However, for area residents it is a living and working area. These
different uses can lead to conflicts between residents and outsiders. A respondent who lives
close to the Langstrasse perceives the use of the public space by outsiders as ‘consuming the
neighbourhood’:

“This neighbourhood is certainly an exception, because so many people from outside come here to
party. […] This is a huge number of people, who come here every evening between Thursday and
Saturday and populate the streets. […] They come to consume and then leave again. They are not
aware that there are also people living here.” (R25, female, 44, freelance journalist, Swiss)

Furthermore, several respondents observe a discrepancy between the public perception and
their own perception in terms of security at the area. Most respondents who live close to the
Langstrasse emphasised that they feel very safe at the area, even though the Langstrasse area has
a reputation of not being safe at times. Some respondents tried to explain why they feel safe at
the area. This feeling is mainly related to the fact that there are other people using the public
space around the Langstrasse area at any time both day and night:

“I am really not afraid. I would be more afraid if I had to walk around alone at the ‘Stettbach’
train station, because there are no other people there. Here, no, well really not. Maybe it’s also
because I know every corner here.” (R14, female, 28, employee in publishing management/
marketing, Swiss)

As shown above, there are many different people who use the Langstrasse. However, similarly to
the Bäckeranlage, there are indications that the different groups of people do not really mix or
come in contact with each other. An interviewee pointed to the unique character of a crossroads
in the Langstrasse area. At every corner of the crossroads, there is a bar with its own unique
customers. The corner is perceived positively in general. However, this statement also indicates
that there are different groups of customers who use public or semi-public space next to each
other but rarely intermingle. The interviewee explained:

“Right back here is the best crossroads I know in Zurich. In every corner there is a bar and every
bar is doing well and every bar has complete different costumers. I love this corner, it’s great.”
(R25, female, 44, freelance journalist, Swiss)

Community centres – ‘local meeting points’
Community centres (Gemeinschaftszentren GZ) at District 9 are an important public space for
different groups of people. The community centres are socio-cultural institutions which provide
space for exchanges and encounters. Supported and commissioned by the City of Zurich,
y they aim at fostering social participation, equal opportunities and integration of all societal
groups (Community Centres Zurich, 2015). All three community centres in District 9 – GZ
Bachwiesen, GZ Loogarten and GZ Grünau – are important neighbourhood meeting points.
As an interviewee explained:
"There are not enough meeting points in the neighbourhood, actually there is only the GZ." (R33, female, 50, disabled, Swiss)

The community centres offer space for new ideas and organising various activities for the inhabitants of the neighbourhoods. They address different groups of people, such as children, seniors or foreigners, and offer a variety of activities, such as language courses, midday meals or a café. As the community centres emphasise, they are open for everyone. This principle also came up in a statement by an interviewee:

“For me, GZ Loogarten has kind of an alternative charisma, community, also doing something for the community. All offers are very cheap, I think a wide range of people can afford it.” (R30, female, 48, secretary, Swiss)

For some first-generation migrants, the GZ was an important place during their initial time at Switzerland. They started to learn German or improved their German language skills in a community centre and made contacts with other people living at the neighbourhood. The analysis showed that interviewees with children and seniors in particular make use of the community centres. On the other hand, young, full-time working interviewees attend these centres less frequently. Some explained that they know of the GZ but do not go there, as their daily life already is filled with other commitments.

Summing up, we can say that most respondents use public space at the neighbourhood for everyday practical purposes and leisure. The example of the Bäckeranlage showed that various groups use the same public space side by side without much contact among groups. The example of the Langstrasse showed how the use of public space has changed over the last several years. It furthermore showed that the simultaneous use by residents and outsiders creates potential for conflict. The community centres have real potential and explicitly aim to foster diverse relations and activities. Despite some contact points or interactions, we could not find evidence that living at a diverse neighbourhood fosters contact among different groups. The description of ‘live apart together, in their own smaller social circle’ (Blokland and van Eijk, 2010: 323) fits the situation rather well.

4.5.3 The importance of associations

Associations have a long tradition in Switzerland. Conservative estimates suggest that there are about 100,000 associations in Switzerland and that 50% of Swiss residents above 14 years old actively participate in at least one association or organisation (Migros-Kulturproduzent, 2010). Accordingly, approximately half of the respondents participate in an association. The associations cover a broad spectrum in terms of interests and activities they organise, such as cultural or sports associations, associations representing different interest groups or religious institutions.

There are some associations, which actively aim at bringing different people together. These include the bottom-up initiatives investigated in the previous stage of the project such as the
MAXIM Theatre, the Neighbourly Help or urban agriculture in ‘Brauergarten’ (see chapter 3). An interviewee explained that she is regularly in contact with people with another background due to her participation in an association. She stated:

“As I participate in the MAXIM Theatre, I am regularly in contact with people with another nationality. A close friend from the MAXIM Theatre is for example from Colombia”. (R3, female, 36, employee in a radio station, Swiss)

Associations are based on a common interest. A common interest can be a good basis to bring people together who are different in other aspects. In some cases, the individual interest is clearly paramount and coming together is less important, as the following statement shows:

“My partner and I are in a dance association. But there are no association meetings. You just have a ticket and there is a rehearsal room and we meet to dance. It is not a typical association, the people there are rather individualists”. (R9, female, 37, lecturer, German)

Besides its own interest, the interests of a group can be a decisive factor for an association. To strengthen the position of a group with a particular characteristic can be the aim of an association. The examples in our interviews include an association for the rights of lesbian, gay, bisexual and transgender (LGBT) people and an association for Somali children.

We assume that there are some associations that have more potential than others to foster diversified relations. Some associations target a very particular group of people, which might be a hindrance for diversified relations. On the other hand, it is generally known that sport associations have a high potential to bring people with different backgrounds together. Even though the main reason to join an association is often a common interest and not the diversified relations or activities in the neighbourhood, associations have the potential to bring different people together. So, as a by-product, associations can help to build a social network in the neighbourhood.

4.5.4 Conclusions
As the analysis showed, interviewees mostly spend their free time with family members or friends they know independently of their neighbourhood. Where activities take place depends very much on the activity itself. Most of the interviewees spend a lot of time in the neighbourhood, making use of commercial services, such as restaurants or shopping facilities, or public local facilities, such as public parks or community centres. As most of the interviewees spend their time in the neighbourhood with friends and family, we conclude that people mainly make use of the functional diversity in the neighbourhood rather than of the demographic diversity.

Public space in the neighbourhood is important for the majority of interviewees, for leisure as well as for everyday practical purposes. Many respondents spend a lot of time in the
neighbourhood, which indicates that the area they live in is rather important in comparison to other areas. The respondents use it because they want to and not because they are forced to due to a lack of economic or cultural resources. Many different groups of people use the same public space. However, using the same space does not necessarily lead to more contact with other people, as the Bäckeranlage example showed. But there are places, such as the community centres or children’s playgrounds, that particularly have the potential of fostering diversified relations.

Associations have the potential of bringing different people together. A common interest is paramount to join an association. As a by-product, it is possible to get to know other people and expand its social network in the neighbourhood. However, as the analysis showed, it was not a crucial factor in our case study area.

4.6 SOCIAL COHESION

According to the literature, the key element of social cohesion is the idea of a society that ‘hangs together’ (Kearns and Forrest, 2000; Maloutas and Malouta, 2004). However, the concept of social cohesion has been criticised for not being clearly defined (ibid.). According to Maloutas and Malouta (2004: 450), the term social cohesion as it is used today ‘refers to current problems of holding society together’. They furthermore highlight that social cohesion is understood as an antonym of the concept of social exclusion (ibid.).

Kearns and Forrest (2000) identified several elements of social cohesion: common values and a civic culture; social order and social control; social solidarity and reductions in wealth disparities; social networks and social capital; place attachment and identity. In this section, we will especially focus on the aspect of social networks as an integral part of social cohesion. According to Granovetter (1973), social ties can be categorised as either strong, weak or absent, depending on a ‘combination of the amount of time, the emotional intensity, the intimacy (mutual confiding) and the reciprocal services’ (Granovetter, 1973: 1361). Weak ties mainly include relations in the neighbourhood, which are often on a superficial but rather frequent basis. Henning and Lieberg (1996) found that weak ties and superficial contacts in the neighbourhood are important for inhabitants for – among other things – a ‘feeling of home’ or the ‘people’s identity as social beings’. The neighbourhood is important for weak ties, but Henning and Lieberg (1996: 22) also found that ‘people commonly have more strong ties outside than in the neighbourhood’.

The ideas about urban neighbourhood and social ties within the neighbourhood changed over time. In the 1920s, the neighbourhood was perceived as the centre of social life, whereas functional relations were emphasised in the post-WWII period (Guest and Wierzbicki, 1999). Today, the availability of electronic communication and better transportation facilities allow social networks over long distances and the increased participation in the labour market –
especially of women – thus fostering social ties outside the neighbourhood (ibid.). However, this does not automatically mean that the neighbourhood is less important for social interactions.

According to Forrest and Kearns (2001), neighbouring is more important in disadvantaged neighbourhoods than in better-off areas. For some groups of people, social ties in the neighbourhood are more important than for others, such as older, poorly educated or unemployed people as well as people with children (Forrest and Kearns, 2001; Guest and Wierzbicki, 1999).

In this section, we will explore the following research questions:

- To which extent is the residential area’s diversity important for social cohesion?
- Which elements foster social cohesion, and which elements hinder the development of social cohesion at the area?

4.6.1 Composition of interviewees’ personal network

Has the diverse composition of the neighbourhood an influence on the respondents’ personal network? We found that most of the respondents’ network is without reference to the residential area, as it is mainly based on family and friends they know regardless of their neighbourhood. Most respondents have more strong ties outside the neighbourhood, which reflects what was also found by Henning and Lieberg (1996). Only a few respondents have strong ties in the neighbourhood — among them are respondents with children, older respondents and interviewees who have already lived in the neighbourhood for a longer period of time.

Independent of respondents’ cultural background and their socio-demographic and socio-economic characteristics, we could not find any evidence that diversity of the residential area is important for their personal network. Respondents’ strong ties mostly include people of the same social class or socio-economic background, even if respondents found friends in the neighbourhood. Interviewees especially became friends with people with similar backgrounds, a similar interest or a similar life situation. In the following, we will have a closer look at the composition of respondents’ networks, which consist of family members and friends.

Family

For most respondents, relatives play an important role in their network. This can include parents (grown-ups), children or siblings. Regardless of their background, the majority of interviewees mentioned at least one family member when asked about the persons they feel closest to. Geographical distance does not necessarily have a negative influence on the strength of a relationship. Many first-generation migrants have family members living in their country of origin, but despite the geographical distance, most of them consider their relationship strong. Only the mode of contact has changed. Face-to-face contact is rare, but due to the availability of new forms of communication technologies, close contact is still possible. Also, the frequency of contact does not necessarily define the characteristic of a relationship.

Especially for respondents with children, it is important or it would be desirable to have the family nearby. Central issues include close contact between grandchildren and grandparents.
and support in childcare. Swiss respondents more often have relatives around – if not in the
neighbourhood then somewhere else in Switzerland – whereas family members of first-
generation migrants often live in their country of origin. That is why families with a migration
background in particular stated that they would wish to have relatives (especially their own
parents) closer by.

In contrast, some younger respondents (age group 18-30) living in single households also
appreciate not having relatives in the neighbourhood. They like the feeling of being more
independent and less observed. For people with a migration background, the situation in the
country of origin might be a decisive factor. A first-generation migrant from a third country
considers the social control in his country of origin much stronger and said that he appreciates
the independence he now has. Also, an interviewee without a migration background likes not
having relatives in the neighbourhood in her current life situation, as the following statement
shows:

“No (laughing). I prefer if they don’t live here so they will not know everything about me, when
I come home, or when I go out. And they don’t just drop in unexpectedly.” (R23, female, 28,
manager communications, Swiss)

Regardless of distance and frequency of contact, family members are important reference
persons for the majority of the interviewees. Many of them also rely a lot on the family network
in terms of support.

Friends
Besides family, friends are an important part of people’s networks. Many interviewees, especially
younger people and respondents living far from their relatives, meet friends more regularly.
Friendships might emerge out of very different reasons or points of connection. Independent
of the neighbourhood, common interests or a similar life situation turned out to be important
starting points for friendships. Several respondents met their close friends because they like
the same leisure activities or are members of the same association. Having a similar job often
also means having common interests or attitudes and a similar education level. Colleagues
are important for some respondents’ network, especially for respondents who participate in
working life and spend a lot of time with workmates. The analysis furthermore showed that
having a similar life story or life situation, such as having a migration background or coming
from the same country or region, could also be a point of connection to start a friendship. An
interviewee with a migration background explained:

“She is a good friend and she helps me with a lot of things. In the beginning, everything is so
complicated: health insurance, residence permit etc. She has more experience here. Her story is
similar to mine. She has also moved here because of her partner and cannot find a proper job.”
(R1, female, 33, employee in a cinema, Spanish)
There were also interviewees who found friends in the neighbourhood, especially through their children or through their dog. According to Peters and de Haan (2011: 173), children and dogs can take the position of an external stimulus and initiate the interaction between two strangers. The analysis showed that going for a walk with a dog has a high potential of bringing people together. It might be assumed that most of these contacts are on a superficial basis. But as an interviewee stated, she became friends with someone she knows through her dog. The statement shows that the relationship became closer through regular contact in the neighbourhood:

“Someone who also lives here, she has a dog, and I got to know her because of the dog. I really like her and she almost became a friend. But I never visited her at home and she never came to my home. We meet regularly outside and she is really kind of a friend.” (R35, female, 54, hairdresser, Italian)

Children also have a high potential of bringing people in contact. Having children often means to use similar places (e.g. children’s playground), to participate in similar activities (e.g. toddler group) or to use the same institutions (e.g. day-care centres, kindergarten, schools). Furthermore, families also often have similar ‘needs’ and interests. The following statement illustrates the importance of children as external stimulus:

“I met her in the toddler group, just through our daughters. I also made friends on the children’s playground, also because of my daughter, and we are still friends.” (R26, female, 47, bank employee, Spanish (second-generation))

In conclusion, it can be said that most people are very family-centred, especially families with children. Regardless of geographical distance and frequency of contact, many consider family members to be an important part of the social network. Friends are the other important part of people’s personal networks. As shown, many different points of contact can lead to friendships. Regular contact and common interests help to build friendships.

4.6.2 Living together with neighbours

“Actually, because you see each other again and again and you live very close, you feel much closer to these people than you would probably to a stranger.” (R19, female, 34, employee in marketing and communication, Swiss)

As this statement shows, the neighbourhood may be an important source of social relations. In the following, we will examine the relations among neighbours, which are defined in this section as people living in the same house or in the immediate vicinity.

Bonds
Most respondents said that they have a good relationship with their neighbours. Only very few mentioned some problems they face or faced in previous dwellings. Bonds with neighbours
cover the entire spectrum from very little contact to everyday coincidental contact and friendly relationships. Furthermore, respondents often have different kinds of bonds with different neighbours, as the following statement illustrates:

“Well, I would describe it as follows in our house: We have a chat, we are in contact and some of them we meet to eat or drink something or to go out.” (R9, female, 37, lecturer, German)

Only a limited number of respondents, with very different backgrounds, meet their neighbours to have dinner together or to go out. The most common activity mentioned by respondents was drinking a coffee or having dinner together. Also, only very few interviewees have very little contact or hardly know their neighbours. Most of the respondents said that they are not in close contact with their neighbours but that they greet each other and talk about everyday things in the hallway. This positive experience of friendly interaction applies to both residential areas with single-family homes and the city centre with larger houses and more renting parties. The following statement serves as just an example; there are many other similar statements:

“I know my neighbours, but yes, we just say: ‘hi, how are you?’ Or we meet when we use the washing machine, but not more.” (R1, female, 33, employee in a cinema, Spanish)

Some of the neighbours also have longer or more personal conversations when they meet but most of the respondents said that they are only in contact with their neighbours if they meet coincidentally. Most of the respondents are happy with the contact they have, even if it is only greeting each other. Some explained that the weak contact with their neighbours is not the result of antipathy, but that – due to the considerable amount of neighbours in an urban environment there just wasn’t an occasion to strengthen the relationship. Few respondents criticised that people in the neighbourhood do not greet each other and that they would appreciate more friendly interaction in the neighbourhood. The importance of these everyday coincidental contacts should not be underestimated. Many respondents consider saying hello and talking about everyday things an important element for a friendly environment.

Few respondents mentioned some difficulties getting in contact with neighbours. According to a first-generation migrant living in Switzerland for only one year, it is rather difficult to get in contact with neighbours “because Swiss people are quite closed” (R13, female, 48, freelance filmmaker, Austrian). A Swiss interviewee considers the reserved mentality as rather Zurich specific, as her statement shows:

“Yes, it is definitely also related to the mentality of Zurich’s inhabitants. They are rather reserved and not just open for new friendships. Everyone lives kind of his own, selfish, little life.” (R3, female, 36, employee in a radio station, Swiss)
Another factor influencing the bonds with neighbours is the language. It came up in the interviews that if neighbours do not have a common language they can use, it is likely that they are not in close contact. A young Swiss interviewee explained:

“I think it’s incredible. She cannot speak a word in German and it’s a 40-year-old women. She can’t even say Grüezi [hello] and I think this is heavy.” (R14, female, 28, employee in publishing management/marketing, Swiss)

Street festivities, cooperative events and other activities in the neighbourhood can have a positive influence on the bonds with neighbours. Several respondents mentioned that they meet their neighbours at such events. Many interviewees who live in cooperative housing mentioned cooperative events where they meet and get to know their neighbours.

Trust
Regardless of their bonds, the vast majority of respondents clearly say that they trust their neighbours. For some there is no difference between different neighbours in terms of trust. An interviewee with a migration background explained that even if her neighbours are very diverse, her trust in them does not vary:

“The people living here are definitely different but there are no differences in terms of trust from my side.” (R8, female, 41, executive secretary, German)

Others said that they trust some of their neighbours more than others. They explained that it is not related to the neighbours’ characteristics but rather depends on how good or how long they have known each other or if they like each other. Only a few respondents said that they do not trust their neighbours or have some reservations. This might be because the person has not lived in the current place for a long time and therefore does not yet know the neighbours very well.

Mutual support
When asked about mutual support among neighbours, many interviewees stated that they would not call it support but rather ‘helping out’ or ‘doing little favours’. Concrete little favours, such as helping out with an egg, sugar or other things, watering the plants while the neighbour is on holiday or doing grocery shopping for someone who is sick, served as illustrations for mutual support among neighbours. Several interviewees already received or provided this kind of help. One interviewee said that she perceives it as a kind of ‘partnership of convenience’ between neighbours. Due to spatial proximity, help from neighbours is uncomplicated in comparison to help from others. She explained:

“Other support is also available, but it has to be organised or concretely asked for. It is easy to go up one floor and to ring the bell of our neighbours. To go to my friend’s place or if she has to come here takes much longer and is more complicated to organise.” (R20, female, 44, employee in school administration, Swiss)
Only a few respondents said that they faced some difficulties in getting support. An older respondent living in District 4, who is very active and participates in various social activities, stated:

“There is basically no mutual support in this house. When I want help, I need to think about whom I can ask. There are two or three persons I could ask. But most of the people say: ‘My children will look for me, my son will come to help me or my daughter will do this for me.’ But some don’t have this and don’t dare to accept help.” (R34, male, 70, freelance consultant, Italian (second-generation))

This statement points to two other issues: Firstly, for some people it is not easy to accept help, possibly because accepting help also creates dependence. This issue also came up in another interview, where a respondent said that he prefers to help others rather than to receive help. Secondly, people who do not have relatives living in the neighbourhood might face some problems in getting help. It came up in other interviews that if there are relatives living in the neighbourhood, people are more likely to rely on the help of those rather than on neighbours, even though relatives live further away.

In particular, people with children reported that they receive support or support each other in the neighbourhood, as they generally tend to have more neighbourhood-related networks. Support includes things like looking after each other’s children or borrowing things such as children’s clothes, shoes, sledge etc. A mother working part-time explained that she has an arrangement with two other mothers in the neighbourhood where children alternately go for lunch. In this way, all mothers are not forced to pay external day-care, which is rather expensive. The mother of two children explained:

“In the past, my children went to a day-care centre for lunch when I was working. [...] Then I suggested to my friend to organise it by ourselves and it works quite well. [...] That is how we help each other.” (R26, female, 47, bank employee, Spanish (second-generation))

To sum up, it can be said that few respondents have close bonds with their neighbours, but in many cases, the statement ‘live and let live’ better describes the interactions between neighbours. Most respondents meet their neighbours only coincidentally. A friendly interaction and greeting each other are nevertheless considered important and appreciated by many respondents. Interviewees with children and homeowners have comparably rather good bonds in the neighbourhood. We could not find any evidence that diversity of the residential area is important for respondents’ bonds with their neighbours. Rather, common interests or situations (e.g. having children, being older) resulted in bonding.

4.6.3 Conclusions
In this section we analysed the social network of respondents in order to find out more about social cohesion in the neighbourhood. We could not find evidence that diversity in the
residential area has an influence on social cohesion, neither in a positive nor a negative way. But we found that respondents’ networks mainly consist of people with similar interests and lifestyle and, in most cases, of people with a similar cultural and socio-economic background. We conclude that living in a diverse neighbourhood does not necessarily mean having a diverse network.

The residential area does not have an influence on the formation of strong ties. We found that respondents’ ties in the neighbourhood are predominantly weak. Spatial proximity itself is not enough to serve as a basis for strong ties. In many cases, the bonds between neighbours are friendly but more of a functional nature or a partnership of convenience based on common interests or needs. Bonds with neighbours are often superficial and support is more appropriately described as helping out, but this is what most respondents are looking for and appreciate in the neighbourhood. Most respondents are happy with the bonds and social support they find in the neighbourhood.

As mentioned in the introduction, the possibility to build a social network in the neighbourhood is likely not to be equally important for all social groups (Henning and Lieberg, 1996). The analysis showed that families have rather strong bonds in the neighbourhood. Due to the space they use for their living, it is important that bonds in the neighbourhood are possible. We could not find evidence that the employment situation, the educational level or the financial situation has an influence on the social network in the neighbourhood. Furthermore, we could not find an indication that people specialise in either local or non-local relations, as suggested by Guest and Wierzbicki (1999). The interviewees, regardless of their socio-economic status, have various bonds with their neighbours. Therefore, the respondents cannot be categorised as either locals or cosmopolites.

The analysis showed that there are some elements that have the potential to foster social cohesion. Similar interests and lifestyle, including having children or a dog, can serve as a starting point for friendships but are also important points of connection for bonds in the neighbourhood. Living in the neighbourhood for a long time and also the long-term plan to live in the neighbourhood – especially by homeowners and families – lead to more commitment. People who spend a lot of time in the neighbourhood, such as older people and families, are likely to have stronger ties in the area. Events for neighbours such as street festivals are other important elements that foster the contact among neighbours. Living in a cooperative can foster cohesion within the cooperative but not necessarily in the neighbourhood. Institutional facilities such as community centres also have the potential to facilitate contact in the neighbourhood. We also found some elements that might have a negative influence on social cohesion. Differing interests or lifestyles are a central point. Furthermore, the language barrier and the ‘reserved mentality’ of Zurich or Swiss people can hinder contacts in the neighbourhood.
4.7 SOCIAL MOBILITY

Literature provides different definitions of social mobility. The labour market career is almost always a central aspect. Furthermore, education can be a factor influencing social mobility. In this project, we work with the following definition: ‘Social mobility is the change over time in an individual’s socio-economic characteristics, such as labour market position and income’ (Tasan-Kok et al., 2013: 52). The necessary resource to reach social mobility is social capital, which describes the possible benefits one might receive through the social network (Kleinhans, 2005 in Tasan-Kok et al., 2013). Literature makes a distinction between bonding capital and bridging capital. ‘Bonding capital refers to strong ties within one’s social circle (often to similar others), while bridging capital is about relations outside one’s social circle (weak ties)’ (Tasan-Kok et al., 2013: 53). Relations to neighbours are often rather weak. But according to Granovetter (1973), weak ties are especially important for social mobility as they serve as bridges between different networks, which allow people to access resources they would otherwise not have.

Different studies have investigated the effects of living in a particular neighbourhood on inhabitants’ social mobility and received different results (see Van Kempen and Wissink, 2014). Nevertheless, in general, the findings point in a similar direction stating that neighbourhood effects exist but that other aspects such as individual and household characteristics are more important (ibid.).

In this section, we aim to explore the following research questions:

- To which extent is the neighbourhood’s diversity important for social mobility?
- Which elements foster social mobility, and which elements hinder social mobility?

4.7.1 Current and previous jobs

As the sample of people is rather diverse, not surprisingly, the professional careers of the interviewed persons (and their partners) differ substantially. Some careers are more linear and others are characterised by interruptions or change of directions. As some of the questioned persons are still at the beginning of their career or still in training and others are already retired, it is rather difficult to compare the individual trajectories. In addition, it must be considered that the labour market itself and the structural conditions have changed considerably in the last decades.

Approximately half of respondents work full-time, one quarter part-time and the other quarter is not in paid work (e.g. pensioners, housewives, disabled people). The majority of part-time working interviewees in our sample are women with secondary or tertiary education, whereby most of them live in a household with children. In most cases, they are not the main breadwinners in the household but have husbands or partners who work (almost) full-time. This reflects a common family model in Switzerland, whereby the man fulfils the function of the main breadwinner and the woman works part-time.

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Almost half of the respondents work as professionals as defined by the International Standard Classification of Occupations (ISCO). The majority of them have a Swiss background, are second-generation migrants or highly skilled migrants (fourth wave of migration). Respondents from Southern Europe and former Yugoslavia (first, second and third wave of immigration) in our sample have a lower educational level and receive lower paid work. They mainly work as associate professionals, clerical support workers or as service and sales workers, according to the ISCO. This difference can mainly be attributed to the different level of education rather than to the cultural background. Respondents who only recently migrated to Switzerland partially have the same cultural background as earlier migrants, but the majority of them are well trained. During the first, second and third wave of immigration, there was especially a demand for low-skilled workers.

For immigrants, the reason why they migrated to Switzerland turned out to be the determining factor for their labour situation. Interviewees who came to Switzerland because of their partner (either their partner was already in Switzerland or they came together because the partners found a job in Switzerland) faced some difficulties in finding a suitable job. Several interviewees referred to a lack of language skills as a possible obstacle. A respondent with a master degree, who came to Switzerland with her partner, explained it as follows:

“I didn’t know that the German language is so important in Switzerland. I thought it is an English-speaking country and it would be easy to find a job” (R24, female, 37, childcare worker, Indian)

As expected, people in the sample who came to Switzerland because of a job offer or for education (especially PhD positions) found a suitable employment. The analysis furthermore showed that for people who came to Switzerland as refugees, it was rather difficult to find a suitable job. Language might also be an issue in this case. Furthermore, interviewees referred to difficulties related to the recognition of diplomas and professional qualifications.

4.7.2 Using neighbours and others to find a job

The way respondents in our study found their job can mainly be divided into two categories: They either found it through a job advertisement or through their network. More than half of the questioned persons (or their partners) found a job through an advertisement in newspapers, internet or other sources. Besides this classical way, a big part of the respondents benefited from connections to find a job. The interviewees fell back on different networks, namely the professional network, the personal network and neighbours, whereas there was no indication that diversity plays a role in these networks. It turned out that some networks were activated more often than others and depending on the network with varied success.

The professional network proved to be most important for the respondents. In this case, it was also most likely that the respondents found a suitable, long-term employment. The personal network was another important source for the interviewees. However, for the interviewees who
found a job through their personal network, it was only a temporary solution. But the personal network proved to be important in another aspect. It turned out that the personal network of the interviewees was especially important in indirectly suggesting jobs or providing information about open positions or job advertisements.

Few interviewees referred to people living in the neighbourhood when asked about how they found their current job. A Swiss respondent found a job in the neighbourhood, which suits her educational level, because she was rather active in the neighbourhood and well known by many people. Two respondents with a migration background found a job through the community centres in the neighbourhood, which they had already made use of before. For one of them, it is however, only a temporary solution as the job does not correspond to her education.

Only a few interviewees made a connection between their professional life and their neighbours. One interviewee sees no particular potential in his neighbourhood related to job opportunities but could imagine that it might be different in other areas, as the following statement shows:

“No, I don’t see particular advantages. Not necessarily in this area. More likely in the city where my sister lives. A lot of bankers, insurance consultants, managers, CEOs etc. live there. If you try hard to maintain contacts, it might offer opportunities. But even there it is not so easy.” (R17, male, 47, computer scientist, Serbian)

It has been shown that the professional and personal networks are especially important to find a job. The personal network is also especially important in providing information. As shown in section 4.6, diversity plays only a minor role in the personal network of respondents. The professional network normally consists of people with a similar level of education or in a similar field. Therefore, these networks are likely to provide the most direct benefits. Weak ties with neighbours were only helpful in a minority of cases. The persons who benefited from neighbours were rather active in the neighbourhood and well known by many people.

4.7.3 Neighbourhood reputation as an asset in upward social mobility?

The analysis revealed that there is no strong connection between neighbourhood and social mobility. The interviewees were asked if they feel that living in the neighbourhood helps or hinders them from taking advantage of important opportunities in life. In answering this question, almost no interviewee referred to issues related to job or education. The few positive and negative effects, which appeared in the interviews, will be discussed below.

Positive effects

Only a few respondents saw a positive connection between their neighbourhood and their working life. The location of the neighbourhood turned out to be the only factor that was assessed positively in relation to work. For some, the central location is considered to be an asset, as they are not forced to have a car, even with irregular working hours. For one interviewee, living in District 4 is an advantage, as the following statement shows:
"For me it is a chance to be in the heart of the city and to feel the heartbeat of the city. Especially for people working in journalism and media, this is a big advantage." (R23, female, 28, manager communications, Swiss)

Negative effects
The neighbourhood can be an asset for social mobility as well as a hindrance. In the literature, some hypotheses can be found as to why the neighbourhood might have a negative influence on employment trajectories. These include, among other things, external stigmatisation by employer, a spatial mismatch between neighbourhood and work locations or little access to information about job vacancies (Pinkster, 2014).

The analysis showed that the neighbourhood’s reputation was not relevant for the interviewees, neither in personal nor in professional life. None of the respondents referred to experiences of being stigmatised because of their place of living. This is certainly related to the fact that none of the neighbourhoods in the two districts are confronted with a strong bad reputation. Even the area around Langstrasse, which is well known as a red-light district, is also a popular nightlife district and a hip place to live. Only one interviewee living in a side street of Langstrasse thought about some negative influences due to the reputation of Langstrasse. But she made clear that she never had any bad experience but just thought about it:

“When I write a letter, I sometimes find myself thinking about what the recipient might think when he reads the sender address ‘Langstrasse’? If the recipient is prejudiced? The Langstrasse is kind of disreputable – justifiably. If the recipient thinks about what kind of person I am, living at the Langstrasse? Maybe you are assigned a particular characteristic if you have the address ‘Langstrasse’.” (R25, female, 44, freelance journalist, Swiss)

The most important issue that came up in the interviews is related to schools in diverse neighbourhoods. Several interviewees said that they know families with children who moved to other areas because of the high ethnic diversity in schools. An inhabitant of District 4 described it as follows:

“For many of my friends the issue of school was an obstacle to stay in this neighbourhood. They were worried, that their child might be the only Swiss child or the only German-speaking child in his/her class, which would mean less encouragement and fewer opportunities.” (R13, female, 48, freelance filmmaker, Austrian)

In some neighbourhoods in District 9, the situation is different. An interviewee said that there is no need to be afraid of having too many foreigners in a class. Most respondents with children living in District 9 are satisfied with the schools in their neighbourhood, as the statement of a mother of two children illustrates:
“I especially see chances for our children. We have good schools and sports facilities in the neighbourhood. I see a lot of development opportunities.” (R6, female, 40, lawyer, Swiss)

A few respondents, especially those with children, referred to some concerns about future developments in schools. An interviewee of District 9 was afraid that problems would arise in terms of education if diversity increases, as the following statement shows:

“I think more diversity could easily lead to more problems, especially regarding schools. Not necessarily because of different backgrounds but only because of the language. There is no problem, if there are only some and they should also be integrated. But if 90% of a first grade cannot speak German, a lot of problems come up. It leads to anger and aggression.” (R20, female, 44, employee in school administration, Swiss)

In summary, it can be said that no strong connection could be observed between the neighbourhood and social mobility. We found no particular positive or particular negative effect. Other factors and personal characteristics seem to be more important. Also, there is a general agreement in the literature that personal characteristics are more important than the neighbourhood (Tasan-Kok et al., 2013).

4.7.4 Conclusions
In this section we attempted to find out if diversity in the neighbourhood is important for social mobility and which elements foster or hinder social mobility. We found that diversity in the neighbourhood and also the neighbourhood in general do not have a big influence on inhabitants’ social mobility in our case study area.

A good personal network and, even more important, a good professional network turned out to be crucial elements that foster social mobility. The personal network is especially important to provide information about job opportunities. The professional network – mostly consisting of people working in a similar field with a similar educational background – proved to be most useful in finding a suitable job and can therefore be considered as having the most direct influence on social mobility. People living in the neighbourhood play only a minor role for the social mobility of the respondents. Only a few benefited from people living in their neighbourhood. A decisive factor was that they were active in the neighbourhood. Even though it was only a temporary solution, it can be considered a good starting point in the labour market.

The neighbourhood’s reputation neither had a clear positive nor negative influence on social mobility. The only issue that came up was related to highly diversified schools, which some interviewees consider problematic. We conclude that even though personal characteristics are much more important for social mobility than the neighbourhood, a social network in the neighbourhood can have positive effects on the inhabitants’ social mobility.
4.8 PERCEPTIONS OF PUBLIC POLICIES AND INITIATIVES

As shown in chapter 3, there is no explicit policy strategy on diversity in Switzerland, but diversity is mainly associated with immigration. Therefore, the focus lies clearly on cultural and ethnic aspects of diversity. The issue of immigration is a topical subject in Switzerland that is clearly present in public discourse and high on the political agenda. The concept of diversity mainly appears in the context of integration policy. In addition, it has been shown that it is also relevant in public community work and urban housing policy.

In this section, we will investigate the following research question:

- How do the inhabitants of the area perceive diversity-related policies?

4.8.1 Perception and evaluation of existing policies and initiatives

The issue of infrastructure (i.e. public transport, road infrastructure or public parks) turned out to be the most present and most prominent topic in interviewees’ perceptions of policies with regards to their neighbourhood. There were also respondents who did not know that much about existing policies and initiatives. Some interviewees with a foreign background referred to the language barrier to get informed. A first-generation EU migrant said that he feels generally rather apolitical in Switzerland, as he cannot take part in political decisions.

When asked about policies, initiatives or programmes of the local government with regards to the neighbourhood, almost none of the interviewees referred to integration policy or specific initiatives and programmes. This might be related to the fact that integration policy is not primarily associated with the neighbourhood but rather considered a superordinate issue concerning other levels than the neighbourhood, as the following statement indicates:

“I know that the city and the canton now and then launch an integration campaign. […] They just start a new one. But here in the neighbourhood? I even don’t know what the district association does.” (R8, female, 41, executive secretary, German)

Several interviewees, especially those with children, referred to the community centres and the activities they offer, particularly for children. Only one respondent made a link between the community centres and integration, as the following statement shows:

“I think it’s good that [the city] supports institutions such as the community centres. The community centres do a lot of things, also in the field of integration, for example you can learn German there.” (R26, female, 47, bank employee, Spanish (second-generation))

Except for those interviewees we found through previously investigated initiatives (see section 4.2.1 on selection procedure), almost no respondent referred to the 10 bottom-up initiatives investigated in the preceding stage of the project. An interviewee living in District 4 knew of programmes with which schools in highly diversified neighbourhoods are supported. The
previously investigated programme Quality in Multicultural Schools (QUIMS) is such a programme. Few interviewees living close to Langstrasse referred to the efforts of the city to fight against the drug scene and prostitution in the neighbourhood (project Langstrasse PLUS).

An issue that turned up with a direct link to the debate on diversity was the housing policy. Some respondents, especially those with a high educational level, know policies and activities related to social housing rather well. Social housing is also associated with the diversity in the neighbourhood, as it is affordable and therefore also allows low-income households to live in the neighbourhood, as the following statement shows:

“Flats in cooperative housing are affordable which allows a mixing in the neighbourhood.” (R25, female, 44, freelance journalist, Swiss)

Affordable housing was and is also a current topic in votes in Zurich. Some interviewees pointed to the last votes in the City and the Canton of Zurich on the issue of affordable housing. In 2011 and 2014, the citizens of the city and the Canton of Zurich, respectively, voted in favour of more social housing and affordable living space. With the vote in 2014, the Canton of Zurich established the right of municipalities to define a minimum share of social housing when modifying the building regulations and design plans. The objective of the vote in 2011 was to raise the percentage of social housing in the City of Zurich to one-third until 2050. Social housing has a long tradition in the City of Zurich and today already makes up 25% of all rental housing in the city. Several respondents know that the City of Zurich is rather active in supporting social housing. On the one hand, the city supports cooperatives, but it is also owner of several dwellings. As an interviewee stated, there are several criteria the city considers when assigning its dwellings:

“Well, I know that the City of Zurich takes into consideration a lot of criteria when assigning its dwellings, one of which is the social mix.” (R8, female, 41, executive secretary, German)

What the city does in the area of social housing is mainly perceived positively. However, many respondents hold the view that it must be done more, as the next section shows.

4.8.2 Policy priorities proposed by interviewees: what do residents want?
Housing policy is not only highly present in the interviewees’ perception but the issue of affordable housing also turned out to be the central priority and housing shortage an urgent problem that must be addressed. Several interviewees said that more should be done to facilitate affordable housing in Zurich. Especially in District 4, the housing shortage and gentrification processes leading to higher rents are perceived as a problem that must be addressed. The following statement of an interviewee living in District 4 serves as an illustration:

“I think it is important that living is affordable in Zurich. Because since I live here I notice this change, the rents increase horrendously and I think this is very problematic. I think this is a priority problem of Zurich.” (R3, female, 36, employee in a radio station, Swiss)
Several interviewees consider the availability of affordable housing as an important instrument to maintain diversity in the area. Some respondents emphasised that there has to be space for everyone in the neighbourhood, no matter their financial situation. The following statement shows that the respondent considers it important to maintain the mix in the neighbourhood, which is only possible if affordable housing is available:

“That the mix remains. Well, that it is possible to live in this city, to live in the city centre. That the current residential areas remain residential areas, with totally normal people, with totally normal salaries, also with people with low salaries. [...] This is my main concern in the city: that normal people can live here, that the diversity remains, and this is only possible, if living in the city is affordable.” (R25, female, 44, freelance journalist, Swiss)

Even if many respondents demand to put more priority on the issue of affordable housing, many of them are also aware that the city is already rather active in this respect. The new housing complex of ‘Kalkbreite’ served as a positive example for a housing project, which was supported by the city. On the other side, the case of ‘Weststrasse’ was mentioned as a negative example. A respondent criticised the city and holds the view that the city has not done enough to prevent speculations.

Other policy priorities, which were proposed by interviewees, are related to specific groups of people and their specific needs and characteristics, respectively. Many – especially those with children – highlighted the importance of good education. Two respondents living with a disability and relying on a wheelchair demanded a more disabled-friendly environment, as they sometimes face difficulties with their wheelchairs. A former single mother called for more support for single parents. She has the impression that it is easier for a foreigner to get support than for a single parent and that the needs and difficulties of a foreigner are more quickly recognised than those of single parents.

4.8.3 Conclusions
In the respondents’ perception of policies with respect to their neighbourhood issues such as the infrastructure, issues especially related to public transport or the road infrastructure are rather well known and considered important. We found that housing policy is the central issue in both the perception of policies as well as in the policy priorities proposed. Many respondents appreciate what the city does in terms of housing policy, but they think that the city should do even more. The availability of affordable housing is mainly associated with the possibility to maintain diversity in the area, especially socio-economic diversity. Some might evaluate it this way because of their political and cultural values. However, we assume that another factor might have some influence: maintaining socio-economic diversity also protects their own interests, namely the availability of affordable dwellings.
Almost none of the interviewees referred to bottom-up initiatives investigated in previous stages of the project. Only a few respondents referred to the issue of integration, as integration policy is not primarily associated with the neighbourhood.

4.9 CONCLUSIONS

In this final section, we will answer the six research questions formulated in the introduction and summarise the key findings of the individual sections. We will then draw some overall conclusions by answering the question of how the interviewed residents profit or suffer from living in a hyper-diverse area.

Why did people move to the diverse area at which they live now? To which extent has the area’s diversity been a pull factor? Or were other aspects much stronger motives to settle at the present area? (Section 4.3)

Respondents moved to the diverse area they live in for various reasons, whereby diversity was not a main pull factor. A limited number of respondents were explicitly looking for cultural diversity, primarily due to their own foreign background in order to not stand out and better fit in. This means that even though they were looking for a culturally diverse neighbourhood, they were looking for people ‘like them’. Other respondents were actively looking for similarity in terms of attitude and lifestyle. The location and the affordability and availability of dwellings turned out to be much stronger motives to settle in the neighbourhood than diversity-related issues. The urbanity and the rootedness in the neighbourhood were other important aspects as well as the motive to live in an open-minded neighbourhood in the city.

What do residents think about the area at which they live? Do residents see their neighbourhood’s diversity as an asset or a liability? (Section 4.4)

Most residents think very positively about the area they live in and do not want to live elsewhere. Diversity is a reality and is clearly present in people’s perception of their neighbours and neighbourhood. Socio-demographic aspects are especially noted, as these characteristics are easily observable. Ethnic and cultural characteristics were also often used to describe neighbours. Furthermore, the diversity in terms of lifestyles, attitudes and activities is important for some respondents as it allows them to live the life they want. Socio-economic aspects were mentioned less often, possibly because they are less apparent. Generally, the majority of the interviewees assessed the intense diversification of the neighbourhood very positively, as it keeps life interesting. Many appreciate that living peacefully side-by-side is possible. To be able to contact people with other backgrounds, views or ways of life is considered an asset, which can help to broaden one’s horizon and promote intercultural learning and tolerance. The persistent gentrification was considered a threat to sustain diversity in the neighbourhood. Possible difficulties were mainly associated with differences in terms of social manners and too much diversity in schools.
How do residents make use of the diversified areas they live at? Do they actively engage in diversified relations and activities at their neighbourhood? To which extent is the area they live at more important than other areas in terms of activities? (Section 4.5)

Most of the interviewees spend a lot of time in the neighbourhood, making use of commercial services or public local facilities. Public space is important for leisure as well as for everyday practical purposes, and many respondents spend a lot of time in the neighbourhood, which indicates that the area they live in is rather important in comparison to other areas. Many different groups of people use the same public space at the same time. However, using the same public space does not necessarily lead to more contact with other people or other groups of people. Public spaces are often used side-by-side without further interaction. Community centres or children’s playgrounds particularly have the potential of fostering diversified relations. Local associations can also help to expand the social networks in the neighbourhood. However, respondents mostly spend time with family members or friends they know independently of their neighbourhood. Therefore, people especially make use of the functional diversity in the neighbourhood rather than of the demographic diversity.

To which extent is the residential area’s diversity important for social cohesion? Which elements foster social cohesion, and which elements hinder the development of social cohesion at the area? (Section 4.6)

The residential area does not have a strong influence on the formation of strong ties, as family members and friends are especially important for interviewees’ network. Respondents’ ties in the neighbourhood are predominantly weak. In many cases, the bonds between neighbours are friendly but more of a functional nature or a partnership of convenience based on common needs. Even though rather superficial, most respondents appreciate the friendly interaction and social support they find in the neighbourhood. The analysis showed that there are some elements that have the potential to foster social cohesion. Similar interests and lifestyle, including having children or a dog, can serve as a starting point for friendships but are also important points of connection for bonds in the neighbourhood. Living in the neighbourhood for a long time and also a long-term plan to live in the neighbourhood lead to more commitment, which helps to foster social cohesion. People who spend a lot of time in the neighbourhood, such as older people and families, are likely to have stronger ties in the area. Living in a cooperative can foster cohesion within the cooperative but not necessarily in the neighbourhood. Events for neighbours such as street festivals are other important elements that foster contact among neighbours. Institutional facilities such as community centres also have the potential to facilitate contact in the neighbourhood. Differing interests or lifestyles might have a negative influence on social cohesion. Furthermore, the language barrier and the ‘reserved mentality’ of Zurich or Swiss people can hinder contacts in the neighbourhood.

To which extent is the neighbourhood’s diversity important for social mobility? Which elements foster social mobility, and which elements hinder social mobility? (Section 4.7)

Diversity in the neighbourhood and also the neighbourhood in general do not have a big influence on inhabitants’ social mobility in our case study area. A good personal network
and, even more important, a good professional network turned out to be crucial elements that foster social mobility. People living in the neighbourhood play only a minor role for the respondents’ social mobility. Only a few respondents who are actively engaged in the neighbourhood benefited from people living close by. There are no elements related to diversity in the neighbourhood that directly foster social mobility. Living in the centre of the city was nevertheless advantageous for some respondents, either due to the close location to their working place or due to the close proximity to the city hotspots. An element that possibly hinders social mobility is the highly diversified schools, which some interviewees consider problematic. The neighbourhood’s reputation neither had a clear positive nor a negative influence on social mobility. Overall, diversity in the neighbourhood is of minor relevance because social mobility and personal characteristics are much more important.

How do the inhabitants of the area perceive diversity-related policies? (Section 4.8)
In the respondents’ perception of policies with respect to their neighbourhood, diversity-related policies were not paramount. Other issues such as the infrastructure, especially those issues related to public transport or the road infrastructure, are rather well known and considered important. Housing policy is the central issue in both the perception of policies as well as in the policy priorities proposed. Many respondents appreciate what the city does in terms of housing policy, but they think that the city should do even more. The availability of affordable housing is mainly associated with the possibility to maintain diversity in the area, especially socio-economic diversity.

How do residents profit from a hyper-diverse area and how do they suffer from living at such an area? What do residents do with hyper-diversity and to what extent are they being affected by it?
Even though most respondents have only weak ties in the neighbourhood, they can profit from contacting people with other backgrounds, views and ways of life. These everyday encounters with diverse people (e.g. in the hallway, at children’s playgrounds or in shops) can promote intercultural learning and tolerance. The findings support the contact theory, which assumes that ethnic diversity has a positive effect on intergroup relationships due to the continuous intercultural contact that initiates a learning process correcting negative views on other ethnic groups and reducing prejudices (Allport, 1954; Pettigrew, 1998).

Inhabitants of the case study area in Zurich make particular use of the functional diversity in the neighbourhood rather than the demographic diversity. There are only a few strong ties between different groups of people despite a common use of the same public space. These different groups mostly live peacefully side-by-side, which is considered very valuable. However, most of them live parallel lives without much contact with other groups.

We could not find evidence that inhabitants of hyper-diverse areas suffer from living in such an area. Many of them actively chose to live in this diverse area and are satisfied with their housing situation. There is no evidence that living in this neighbourhood hinders the inhabitants from taking advantage of their lives. However, it must be considered that we did not reach the group
of people with very low income or in precarious situations. Furthermore, the case study area in Zurich cannot be considered a deprived area in comparison with other DIVERCITIES case study areas. In addition, the case study area in Zurich – even though sometimes presented negatively in public discourse – is not (anymore) confronted with a strong bad reputation.
ENTREPRENEURS DEALING WITH DIVERSITY

5.1 INTRODUCTION

In our globalised world, cities compete for talented professionals and entrepreneurs as well as for enterprises with high economic performance. Thereby, a substantive strand of literature discusses the links between the economic competitiveness of a city and its degree of diversity. Most authors share the point of view that urban diversity is a vital resource for the prosperity of cities and a potential catalyst for socio-economic development (see e.g. Bodaar and Rath, 2005; Eraydin et al., 2010; Fainstein, 2005; Florida, 2002; Nathan, 2011; Ottaviano and Peri, 2006; Tasan-Kok and Vranken, 2008). Fainstein (2005: 4), for instance, argues that ‘... the competitive advantage of cities, and thus the most promising approach to attaining economic success, lies in enhancing diversity within the society, economic base, and built environment’. Although some scholars argue that diversity and economic performance are not positively connected (Angrist and Kugler, 2003; Alesina and La Ferrara, 2005), the majority of the empirical evidence shows that diversity has a positive influence on the economic development of cities. Research on this relation, however, is quite limited and provides evidence usually only at a macro level. One of the aims of this project is therefore to make a contribution towards closing this research gap with empirical evidence collected at the neighbourhood level.

In the present chapter, we focus on the way individuals and groups perform in the city as entrepreneurs since we see the economic performance of people as an essential condition for the economic performance of a city. Thereby, we aim to trace the relationship between urban diversity and the success of these local entrepreneurs. We assume that diversity can motivate entrepreneurs to start a business in an area and that diversity may be beneficial for the functioning and performance of an enterprise. Moreover, beneficial conditions that increase the possibilities of building successful businesses may thereby also enhance social mobility for different groups of people.

As a first step, we examine entrepreneurs who start their businesses in diversified neighbourhoods and the factors that define their economic performance. Factors such as the entrepreneur’s ethnic background, age, family background, gender, education and previous experience are expected to be important variables in determining the success of the enterprise. These factors interact with the influence of diversity at the neighbourhood and city levels. As a second step, we explore the main motivations of entrepreneurs for starting a business and assess whether neighbourhood diversity is an important factor in their decision. As a third step, we analyse the economic performance of the entrepreneurs, the potential influence of neighbourhood diversity and the
long-term plans of the entrepreneurs. As a fourth step, we evaluate the role of policies and measures at different state levels as well as the entrepreneurs’ membership in diverse associations.

The concrete research questions are addressed in four sections and read as follows:

• What are the main characteristics of the entrepreneurs and their businesses? What are the evolutionary paths and the fields of activity? What are the physical conditions and the ownership pattern of their offices, production sites or shops? (Section 5.3)

• What were the main motivations of the entrepreneurs for establishing a business? What is the importance of neighbourhood diversity for starting their business where it is located now? Why did the entrepreneur select this line of business, and from whom did he or she receive support for starting the enterprise? (Section 5.4)

• What factors are important to the economic success or failure of the enterprises? What is the current level of performance and how has it changed? To what extent does the diversity of the neighbourhood play a role regarding economic performance? What are the long-term plans of the entrepreneurs? Do they have any plans to change size, market or business strategies in order to reach higher levels of competitiveness? (Section 5.5)

• Which policies, measures or organisations contribute to the performance of the enterprises? Does membership in various associations have an influence? What do the entrepreneurs want from policy makers at different levels? (Section 5.6)

The main results of the analysis on how urban diversity affects the economic performance of the surveyed businesses are threefold:

• First, the fourth wave of immigration – starting with the beginning of the 21st century and the ‘Agreement on the Free Movement of Persons’ between the European Union and Switzerland – brought a high number of well-qualified specialists from different EU countries, but mainly from Germany, to the City of Zurich. The interviewed entrepreneurs now benefit strongly from this wave of immigration. Especially for the members of the creative class, these new customers generate substantial new revenues.

• Secondly, a lot of the interviewed entrepreneurs mention the favourable impact of the ongoing urban development and the gentrification processes in the case study area. They benefit from new and wealthier clients and the changing image of the neighbourhoods. However, these processes change and reduce diversity – especially socio-economic diversity – in the city, since they force poorer people to move to the suburbs.

• Thirdly, immigrant entrepreneurs do often possess little institutional support. A substantial proportion of immigrants – especially from non-EU countries – do not know the local trade associations or any professional organisations. At the same time, immigrant entrepreneurs do not rely more frequently on social networks than Swiss nationals, and only a few are strongly involved in their ethnic community.

The chapter is divided into six main sections. Following this introduction, the next four sections discuss and answer the research questions as outlined above. In the conclusions, we summarise the main results and address our research questions.
5.2 METHODOLOGY

The research is based on a qualitative approach and involves 38 semi-structured interviews with local entrepreneurs in our case study area, Districts 4 and 9 of the City of Zurich. Thereby, the main rationale behind the sampling procedure was to have a diverse selection of interviewees – mainly with respect to their ethnic background and their type of business. We therefore intended to find interviewees from all waves of immigration as well as native-born residents. However, the selected businesses should also be typical and representative of the city and the case study area. With respect to spatial factors, the interviewees should be rather equally distributed among the two districts and the five neighbourhoods of our case study area, Werd, Langstrasse and Hard in District 4 as well as Altstetten and Albisrieden in District 9.

The fieldwork was carried out from August until December 2015. As a first step, we conducted interviews with three representatives of the local trade associations to get an overview of the different industries present in the case study area. These talks also served as entry points to get in contact with potential interviewees. Further contact opportunities came as a result of input from members of our policy platform, systematic web search and our own exploratory research in the study area. The resulting sample is presented in detail in the next section.

5.3 THE ENTREPRENEURS AND THEIR BUSINESSES

With respect to the relationship of urban diversity and entrepreneurship, two fields of research seem particularly relevant when investigating the entrepreneurial milieu in the City of Zurich: ‘ethnic business’ and the ‘creative class’.

Regarding the entrepreneurial activities of immigrants, in the literature we often find the concepts of ‘ethnic business’ and ‘immigrant business’. However, these terms are not used in a consistent manner. To better outline the concept of ethnic entrepreneurship, it seems therefore helpful to distinguish between the ethnic affiliations of the entrepreneur, the product and the customers (City of Zurich, 2008a). ‘Ethnic business’ generally involves an ethnic affiliation of all three elements of the definition, while ‘immigrant business’ only focuses on the ethnic background of the entrepreneurs. However, these definitions are shaped by an Anglophone perspective – in German-speaking countries, the concepts are often used interchangeably since the migrant background is at the centre of attention (ibid.). Furthermore, the ethnic communities in Switzerland are generally too small to establish an ethnic business in the narrow sense of the definition. The functions of immigrant business are manifold: it basically represents an important economic factor, it often generates workplaces for other immigrants and thereby enhances social mobility, and it pushes societal integration since ethnic entrepreneurs act as a kind of intermediaries between the native residents and the immigrants (ibid.). Empirical data on this matter are very scarce in Switzerland, however, as there are only a few studies on immigrant entrepreneurs (see e.g. City of Zurich, 2008b; Piguet and Besson, 2005; Suter et al.,
The concept of the ‘creative class’ and its relation to economic growth has lately, to the fore through the work of Richard Florida. In his (much praised but also heavily criticised) book ‘The Rise of the Creative Class’, Florida (2004) argues that the creative class is a key driver of urban and regional growth. Hence, it is the population in a place that makes the difference rather than particular industries (Boschma and Fritsch, 2009). But this creative class is not evenly distributed across space: Florida argues that creative people are attracted to places that are culturally diverse and tolerant. He therefore makes strong links between diversity and creativity: ‘Diversity and creativity work together to power innovation and economic growth’ (Florida, 2002: 577). So, urban diversity – particularly the presence of gay couples, bohemians and foreign-born populations – attracts knowledge workers and increases the creative capital. The ideas of Richard Florida have had an influence on many urban policy documents; for example, the City of Zurich integrated his arguments in the legislative focal points 2010-2014 by establishing the promotion of Zurich as a ‘city of culture and creativity’ as an important political focus (City Council of Zurich, 2010a). Indeed, the creative class is very present in the City of Zurich: in the year 2014, 44,000 persons have been working in the creative economy – in sectors like the music industry, advertising, the book and press market, and the art and design market (Inura, 2015; Weckerle and Theler, 2010). This makes up more than 10% of the whole labour force in the city (Inura, 2015). And with the strong immigration of highly qualified persons from the EU since the beginning of the 21st century, the creative economy has additionally increased significantly over the last years (ibid.). Hence, Zurich is assumedly the creative capital – and as well the unofficial gay capital – of German-speaking Switzerland.

The present section now discusses our sample of interviewed entrepreneurs and their businesses and thereby investigates the following research questions:

- What are the main characteristics of the entrepreneurs?
- What are the main characteristics of their businesses, evolutionary paths and fields of activity?
- What are the physical conditions and the ownership pattern of their offices, production sites or shops?

5.3.1 Characteristics of the entrepreneurs

As a first step, we take a detailed look at the interviewed entrepreneurs and their businesses. This section presents the characteristics of the entrepreneurs, their education, vocational training and professional experience as well as previous jobs. We almost always interviewed the owner or a co-owner of the selected companies. If there were employees, the interviewed persons also always represented the managers of the enterprise. Thus we did not encounter any entrepreneurs who were not fully involved in business operations.45
The interviewed entrepreneurs are rather equally distributed between the two districts of our case study area: 21 interviewees run their businesses in District 4 and the companies of 17 respondents were located in District 9.

There are 11 female and 27 male interviewees. Thus, only about 29% of our sample is composed of women – a number somewhat below the official statistics. According to the Swiss labour force survey, of the 546,000 self-employed persons in Switzerland in the year 2015 – which corresponds to a self-employment rate of 11.9% of the total working population – 35.9% are women (Federal Statistical Office, 2015b). Thereby, the self-employment rate of women amounts to 9.2%, while for men the rate amounts to 14.3% in the year 2015 (ibid.).

The age of the interviewees is evenly distributed between 27 and 63; the mean age is 46.6 years. These numbers are in accordance with the official statistics reporting a mean age of 47.1 years (Federal Statistical Office, 2006). The higher average age of self-employed persons compared to employed persons is due to the fact that a self-employed activity is often preceded by several years of working relationships as an employee. Furthermore, younger persons often experience difficulties in obtaining a bank loan (ibid.).

The entrepreneurs can be divided into 17 native-born residents and 21 persons with a migration background. Thereby, we can classify the business people with a migration background according to the four waves of migration that Switzerland witnessed since the Second World War:

- 4 persons are immigrants from Mediterranean countries (mainly Italy, Spain, Portugal and Turkey) who arrived during the period from the 1950s to the 1980s, representing the first and second waves of immigration
- None are immigrants from the countries of former Yugoslavia who arrived mainly during the 1990s, representing the third wave of immigration
- 5 persons are immigrants from the European Union (mainly Germany) who arrived in Switzerland since the beginning of the 21st century, representing the fourth wave of immigration
- 5 persons are second-generation migrants with roots in Mediterranean countries
- 2 persons are second-generation migrants with roots in a former Yugoslavian country
- 5 persons come from other countries.

The four waves of migration are well represented in the sample, and we interview 14 first-generation and seven second-generation migrants. Our study does not include any first-generation migrants from former Yugoslavian countries, however.

Meanwhile, 26 of our interviewees hold Swiss citizenship, and 12 persons have not yet been naturalised. This amounts to 68.4% Swiss citizens, a figure below the official numbers: 85.7% of the self-employed persons in Switzerland in the year 2015 were Swiss citizens (Federal Statistical Office, 2015b). Thereby, the self-employment rate of Swiss citizens in relation to the
total Swiss working population amounts to 13.6% and the rate of foreign citizens compared to the total foreign working population amounts to 6.8% (ibid.). The reasons for this difference are manifold. First, migrants from non-EU/EFTA countries not holding a permanent residence permit must comply with strict regulations regarding self-employment. Second, migrants are obviously much less frequently in the situation of taking over an existing family business. Third, language barriers might have an important impact on the process of founding a company. However, the difference is much less pronounced in larger cities (City of Zurich, 2008a).

26 interviewees have completed their education in Switzerland. These are native-born residents or persons with migration background who at least partly grew up in Switzerland. 12 of the interviewed entrepreneurs, on the other hand, were educated abroad. Among them are a baker from Turkey, a hairdresser from Burkina Faso, a bicycle mechanic from Italy and an educator from Germany. So, every interviewed person possesses at least basic education and vocational training.

The fourth wave of immigration in Switzerland constitutes the so-called ‘new migration’ of highly qualified immigrants from the European Union. However, only two out of our five interviewees belonging to the fourth wave of immigration actually possess higher educational qualifications: both are consultants, one from Austria and one from the Czech Republic. In total, 10 interviewees have tertiary or higher vocational education – the other entrepreneurs completed vocational education. Only two of the highly educated persons are women.

A majority of 28 entrepreneurs still worked in their original profession – some of them, however, had completed multiple educational trainings. 10 persons, on the other hand, became self-employed in a different vocational field, and three of these entrepreneurs completed an additional training. Among this group are five women and five foreign nationals. Their reasons for this change in profession differ: some of them wanted to become self-employed and thereby tried something new, such as the legal expert who established a business for interior design or the dressmaker who opened a cosmetics studio. Other entrepreneurs were in a difficult vocational situation and were obliged to change profession, such as the Iranian social worker who could not find a job in Zurich and therefore took over a tobacco shop or the Swiss employee whose employer planned some job reductions and therefore financed an additional training so that he could establish a business as a driving instructor.

Nearly all interviewed entrepreneurs had worked for several years as employees in their professional field before they opened their own business. Those who became self-employed in a different area were previously employed in their original vocational field. Six persons had have only worked in the family business before taking over the responsibility for the company themselves. These enterprises are mostly typical craft businesses: a carpenter’s workshop, a painting company, a tailor shop and a bicycle repair shop. Out of these six entrepreneurs, four are Swiss citizens and two are Italian citizens.
5.3.2 Characteristics of the businesses, their evolutionary paths and core fields of activity

In the present section, we aim to define the main characteristics of the business, the types of products or services being produced and the evolution of the enterprise. Thereby, we also try to find out what distinguishes the enterprise from other companies.

On average, the surveyed companies have already existed for 15 years, which means that the average year of foundation or takeover was 2001. If we only include the lifespan of the sites in our case study area, the founding year was 2003, since two businesses have multiple locations and four entrepreneurs have relocated their office or shop. However, the distribution ranges from 1984 (a hairdresser) to 2015 (a coffeehouse) and it is not very even: only 13 out of 38 companies were founded before the year 2000. We do not observe any connection between the type of business and the year of establishment.

The investigated enterprises constitute a representative sample of all types of business that are present in the case study area. To classify the surveyed enterprises, we distinguish between three types of businesses: retail, manufacturing and services. In the retail trade, there are 13 companies selling products like shoes, cars, books and sports equipment. In the manufacturing industry, there are eight enterprises such as bakeries, painting companies and carpenter’s workshops. And finally, 17 companies belong to the service industry, such as hairdressers, a nursery, cosmetics studios, advertising agencies and restaurants.

Regarding the breakdown by sector, eight companies in our sample belong to the secondary sector, typical manufacturing businesses. The other 30 enterprises are located in the tertiary sector – companies in the retail trade, the hospitality industry or the service industry. This number corresponds to the city’s high share of workplaces in the tertiary sector, which make up 93.3% of workplaces (Federal Statistical Office, 2015d).

As discussed in the introduction of this chapter, the creative class – people working in sectors like the music industry, advertising, the book and press market, and the art and design market – is highly present in the City of Zurich (Inura, 2015; Weckerle and Theler, 2010). In the year 2014, 44,000 persons were working in the creative economy, making up more than 10% of the whole labour force in the city, and this figure has increased significantly over the last years (Inura, 2015). District 4 of our case study area is thereby a favoured location for creative occupations (ibid.). Our survey confirms these numbers: a vast majority of the creative entrepreneurs in our sample are located in District 4. Depending on the definition of the creative class, there are nine to 11 creative people among the interviewees. Classifying these entrepreneurs is not difficult when it comes to advertising agencies or design shops but is more challenging in the case of a bicycle dealer selling hip racing bikes for urban people. The creative entrepreneurs are mainly Swiss citizens, and only recently have fourth-wave immigrants joined this subgroup. Therefore, the creative companies in our sample are of a more recent making than the traditional businesses.
Ethnic entrepreneurship is highly present in our case study area, mainly in District 4. However, since ethnic business is a concept that lacks a clear definition, we distinguish between the ethnic affiliations of the entrepreneur, the product and the customers. 14 of our interviewees were not born and raised in the City of Zurich, but migrated to Switzerland in later years. Even though two of them have since been naturalised, we classify them as ‘immigrant entrepreneurs’. However, with respect to products and customers, there is only one case in our sample selling ethnic products for an ethnic community: a hairdresser from Burkina Faso sells hair extensions and creates hairstyles for African women. So, when applying a narrow definition of ethnic business, we only have one ethnic entrepreneur in our sample. Furthermore, two immigrant entrepreneurs offer ethnic products but address a broader clientele: two restaurants – a Spanish tapas bar and an Indian and Tamil takeaway restaurant – serve traditional dishes from their country of origin for a mixed audience. The other immigrant entrepreneurs benefit to a greater or lesser extent from networks within their ethnic community, but they do not sell specific ethnic products or offer ethnic services. In the City of Zurich, the ethnic communities are generally too small to allow successful ethnic businesses in a narrow sense (City of Zurich, 2008a). Therefore, immigrant entrepreneurs often need to attract Swiss customers as well. Only in the neighbourhood of the Langstrasse with its high share of foreign citizens, there is a small percentage of ethnic entrepreneurs addressing exclusively an ethnically defined target group (ibid.).

With respect to the type of ownership, a majority of 17 enterprises are sole proprietorships, 11 cases are limited liability companies and eight are joint-stock companies. Furthermore, there is one association and one cooperative. 12 entrepreneurs run a typical family business – in some cases, it only involves a couple, and in other cases, the business depends on a large family. Thereby, typical craftspeople are more often established as sole proprietorships and more frequently working in a family business. Beyond this relation, the origin or the type of industry does not play a role regarding the type of ownership.

On an average, the surveyed enterprises have 12 employees, the owner not included. However, two chains – one of nurseries with about 200 persons and one of bakeries with 50 employees – have boosted this number. So, if we only include the sites in our case study area, the number of employees amounts to only seven on average. Thereby, seven entrepreneurs do not have any employees, 25 interviewees have between one and 10 staff members, and only six companies have over 10 employees. Origin or type of industry does not have any influence on the results in this category either. Furthermore, our sample is in accordance with the official numbers. According to the Statistics Office of the City of Zurich (2013), a defining characteristic of Zurich’s economy is the sizable number of small businesses, which represent the typical corporate structure: about 88% of the city’s workplaces have no more than nine full-time employees, and there are only 128 large companies with 250 or more employees – a figure that corresponds to only 0.5% of all workplaces.

Of the 31 surveyed companies with employees, 10 entrepreneurs explicitly state that their staff members are ethnically very diverse and come from different countries. Six of these interviewees
spontaneously add that nationality is not a hiring criterion; only professional qualifications are of importance. For two entrepreneurs, however, it is crucial that the employees master the German language. In six cases, the interviewees state that all their staff members are Swiss citizens, but this is pure coincidence. Regarding the embedding in the neighbourhood, only four companies’ employees actually live in the district. It seems that origin, gender and age do not represent important hiring criteria for any company under scrutiny. However, there are two exceptions to this rule: for two immigrant entrepreneurs – the restaurant owners that serve ethnic products but cater to a mixed audience – it is important to hire employees of the same ethnicity since these persons know the offered dishes and convey an “authentic impression”.

Talking about their main products and services, the answers of the surveyed entrepreneurs come as no surprise: the brewer sells beer and the bicycle dealer sells bicycles. But when they are asked about what distinguishes them from other enterprises, the results are interesting and consistent across the interviews. Many enterprises are struggling with the strong Swiss currency and the growing market for online shopping. They see themselves exposed not only to local or national but also to global competition. As a reaction to this tense situation, we encountered two dominant strategies to stand out from the crowd and to withstand the competition: a strong focus on the quality of products and services and a high customer orientation.

Regarding the quality of their products and services, around a third of the interviewed entrepreneurs consider this strategy to be an important characteristic of their business. Many of them focus on sustainable, organic, local or fair-trade products and services. Since they are not competitive regarding prices on the international market, they go for high-quality products to survive in the long run. Examples include a goldsmith who only produces handmade unique items with fair-trade gemstones and a shoe shop with high-quality niche products that sells individual shoes from small manufactories.

Regarding customer orientation, another third of the interviewees focus on this second survival strategy. They create fully personalised products and services and implement the clients’ wishes in all details. Furthermore, in these companies, the personal relationship with the customers is emphasised. The clients shall feel comfortable and appreciated – the entrepreneurs therefore present themselves as very flexible and always available. This is illustrated by the offset printer who gives his mobile number to his good customers so they can reach him at the weekend, the retail shop owner who serves free coffee for every customer or the bakery that is open 24 hours a day.

The evolutionary paths of the surveyed enterprises differ considerably. Approximately half of the enterprises have increased their sales and staff since their foundation. Most of these companies experienced slow and constant growth, but there are also some very successful start-ups, such as the urban agriculture shop that really has its finger on the pulse of the city. However, several entrepreneurs stated that the last years have been quite difficult because they have experienced the implications of the financial crisis and the strong Swiss currency. Thereby, creative workers
might be more sensitive to such economic fluctuations.\textsuperscript{47} Regarding the range of products and services, in general the companies have not implemented significant changes. Digitalisation has been introduced in recent years only in a few industries, such as the printing business, advertising and photo retail business.

5.3.3 The location and site/s of the enterprise

As a final step in portraying the interviewed entrepreneurs and their businesses, we now investigate the physical conditions and ownership patterns of their offices, production sites or shops.

The vast majority of the surveyed businesses have one branch; only four companies operate at multiple locations – a nursery, a bakery, a jeweller and a shoe shop. However, some entrepreneurs have a small external warehouse or production site nearby or at a low-rent location outside the city. Only one consultant works from home or directly at a client’s office. However, in the smaller companies, administrative and office work is sometimes done at home as well.

With respect to ownership pattern, there are no differences among the investigated companies. All entrepreneurs rent their offices, shops or manufacturing sites. This result is not extraordinary, since in Switzerland, a majority of the people still rent their flats and offices and do not possess residential property, since they cannot afford it.

The physical conditions of the buildings do not differ considerably. They are mostly small to medium-sized, and the look of the sites depends on the type of business and the product. While urban design shops and advertising agencies, for instance, capitalise on an attractive interior of the office or shop, such considerations are not equally important for a print office or a painting company.
5.3.4 Conclusions

The selected sample constitutes in many respects a representative cross-section of the entrepreneurs and their businesses in our case study area. Many characteristics of the entrepreneurs and the companies are very similar to the entrepreneurial reality in the City of Zurich. Furthermore, the sample offers the opportunity to take a closer look at the creative class in the city and at different types of ethnic entrepreneurs.

Asked about their main distinguishing features, a vast majority of the surveyed companies declared that they invest in one of two core business strategies: focusing on high-quality products and providing strong customer orientation. Many entrepreneurs feel exposed to high international competition due to the strong Swiss currency and the growing market for online shopping. The implementation of these business strategies helps them to withstand this competition, to stand out from the crowd and – to the interviewees’ expectations – to survive in the long run.

5.4 MOTIVATIONS TO START A BUSINESS AND THE ROLE OF URBAN DIVERSITY

To comprehensively understand and analyse entrepreneurship and the process of establishing a business, it is crucial not to focus solely on either the person of the entrepreneur or the institutional context, such as market structures or regulations. We need a comprehensive framework that encompasses both the actors and the opportunities or constraints the entrepreneurs are confronted with – like a transformation of a market, growing clientele, declining demand or the different types of neighbourhood diversity. Such an analytical framework combines the micro-level of the individual entrepreneur with the meso-level of the local opportunity structure and the macro-level of the institutional context (see e.g. Kloosterman, 2000 and 2010; Kloosterman and Rath, 2010).

The micro-level involves the personal characteristics and backgrounds of the entrepreneur and his or her skills, education and ideas. But it also encompasses the different resources of the entrepreneur: his or her social, cultural and financial capital. In particular, the social capital of an entrepreneur – the value of resources generated by social networks (Burt, 1992) – seems to play a significant role when establishing a business. People who have family members or close friends who are self-employed are more likely to become nascent entrepreneurs (see e.g. Davidsson and Honig, 2003; Klyver et al., 2008; Menzies et al., 2006). Especially for ethnic minorities, it is supposed that strong involvement in the ethnic community is vital to the entrepreneurial activities of group members (see Butler and Greene, 1997; Deakins, 1999). However, Piguet and Besson (2005) show that, in Switzerland, cultural factors only play a secondary role in the decision to become self-employed. In other studies, resources such as education, financial capital, previous experience or parents’ occupation have been found to be more important in business success than ethnic involvement (see Marger, 1989, Menzies et al., 2006). Regarding the relationship between the social capital of a community and
regional economic growth. Florida (2003) argues for weaker rather than stronger ties between community members. Contrary to Putnam’s (2000) theory of social capital that strong civil societies are crucial for economic outcomes, Florida (2003: 6) shows that places with looser networks and weaker ties are more open to newcomers and thus more effective at generating economic growth.

At the meso-level – the local opportunity structure – the most important components are the markets. Opportunities for entrepreneurs are intrinsically linked to markets: there has to be a sufficient – or still latent – demand for certain products, so that a business can survive (Kloosterman and Rath, 2010). The dynamics in the urban economies create changes in the local opportunity structure and thereby open up or restrict possibilities for existing and new businesses. As Switzerland is an immigration country, the arriving people create new and additional demand and change the composition of the population in the neighbourhoods. In the City of Zurich, the annual growth rate of the foreign resident population is 13.2% compared to 5.9% among the Swiss population (Statistics Office of the City of Zurich, 2013). Thereby, the fourth wave of immigration – immigrants from the European Union (mainly Germany) arriving since the beginning of the 21st century – has been extremely pronounced. This new group of immigrants has the potential and the financial means to influence the local economy.

The macro-level of the institutional context, finally, involves the rules, institutions and instruments for market regulation. Thereby, regulations may take various forms, such as laws or incentives; they may pertain to products, suppliers, customers, contracts or behaviour; and various actors at different state levels may enunciate them (Kloosterman and Rath, 2010). With respect to public start-up support, we find a few small instruments and projects offering micro-credits and counselling in the Canton and City of Zurich. With respect to our sample, there is another interesting incentive programme at the city level. In the context of the project ‘Langstrasse PLUS’ – a municipal effort running from 2001 to 2010 to prevent the emergence of an open drug scene and to curb prostitution in the neighbourhood of the Langstrasse – the City of Zurich set up a fund (the ‘Langstrasse credit’) of CHF 2 million (approx. € 1.84 million). With this money, the city wanted to ‘establish measures for the maintenance, the extension, the renovation or the creation of localities for neighbourhood-oriented shops, restaurants and small trade’ (City Council of Zurich, 2010b: 1). Thereby, the fund ‘should support a diverse supply for the neighbourhood and the preservation of an appropriate business structure’ (ibid.). During the course of the project, 29 entrepreneurs in the neighbourhood of the Langstrasse in District 4 received financial support.

In the present section, we now explore the following research questions:

• What were the main motivations of the entrepreneurs for establishing a business?
• What is the importance of neighbourhood diversity for starting their business where it is located now?
• Why did the entrepreneur select this line of business?
• From whom did he or she receive support for starting the enterprise?
5.4.1 Motivations for establishing a business

Motivations for starting a business are manifold and result out of a combination of factors at the micro-, meso- and macro-levels. In the following, we will extract the most important factors from our data and classify them according to the different types of entrepreneurs and businesses.

The vast majority of our interviewees – regardless of ethnicity, class, gender or type of business – always had long-term ambitions to become self-employed one day. Their desire for independence is somehow rooted in their personality: they wanted to create something on their own, realise their individual vision and become their own boss. Many entrepreneurs state that, they already planned to establish their own business during their vocational education. However, a certain event or circumstance always triggered the process of actually founding an enterprise. Either difficulties in their previous company, such as problems with a supervisor or imminent job reductions, or external influences, such as receiving an interesting offer or meeting the right people, led to this decision. Suddenly, a door opened and our ambitious entrepreneurs seized the opportunity. As one interviewee puts it:

“In the company I was working, I had a very bad supervisor at the end. And that tipped the scales; so, I quit the job and did my own thing. It was always in my mind, in fact, but my bad boss finally provoked it.” (E12, male, 42, Swiss/Croatian, bicycle repair shop)

For some of the immigrant entrepreneurs – mainly from non-EU countries – the main motivation was a different one. For these respondents, founding their own business was the only way to escape working as an unskilled employee. In fact, these persons were not unskilled at all, but predominantly possess higher education. However, after their entry into Switzerland, they could not work in their professions – either because they have unrecognised certificates from non-EU countries or they have not mastered the language sufficiently well. So, these immigrants got stuck in low-quality jobs and they therefore decided to establish a company on their own – a restaurant offering dishes from their home country or a small retail shop. One interviewee explained:

“Before, I was working for 10 years in different jobs: restaurants, factories, offices. But then, it didn’t work for me any longer. I would rather be self-employed than do simple jobs – despite the risk.” (E5, male, 58, Iranian, tobacco shop)

This result confirms the hypothesis of the disadvantage theory, a subset of opportunity structure theories, whereupon becoming an entrepreneur is a survival strategy, particularly when minorities encounter barriers that deny advancement in the formal labour market (Fischer and Massey, 2000; Hackler and Mayer, 2008).

There is another group of entrepreneurs – including many creative people – who gradually decide to turn their hobby into their profession. These persons have often pursued an education
in a different field, but after some years of working and having earned enough seed capital, they take the next step and change their profession. They describe their motivation as “finally doing what they love”. A former legal expert who established a business for interior design stated:

“The idea of being self-employed actually stemmed from my desire to explore my creativity more strongly. Sure, I don’t earn as much as before, but who knows. Actually, it is principally about self-fulfilment.” (E23, female, 32, Swiss/Turkish, interior design shop)

Again, the entrepreneurs taking over a family business were in a completely different situation. Here, in general, it was a logical process to follow in their parents’ footsteps – most interviewees did not question this procedure or always had the intention to continue the business. One respondent explained:

“My father asked me if I would like to become an interior decorator as well. As a little boy, of course I knew the company and the profession and I somehow grew into it. So, when I was fifteen years old, I started a vocational education as an interior decorator – without having written any application – and so far, I actually never regretted it.” (E33, male, 56, Swiss, interior decoration shop)

5.4.2 The importance of location and place diversity
Neighbourhood diversity as an important element of the local opportunity structure may have a strong impact on entrepreneurial decisions. Why have the entrepreneurs chosen the present location of their companies? And did the diversity of the area have an influence on this decision? These questions are discussed in the present section.

Of our 38 interviewees, eight entrepreneurs took over the business from their parents and therefore never made a location decision. They are all sufficiently happy with the location of the company and have never had an intention to move.

Of our other 30 entrepreneurs, about a third did not look for a location specifically in our case study area – some even had no relations with the district at all. Mostly, these people were looking for an affordable establishment in a rather central position with no similar enterprise close by. The diversity of the neighbourhood as such was not an important factor. A baker in District 4 pointed it out as follows:

“I did not specifically choose the Langstrasse. I needed an inexpensive location and a locality with a bakehouse. Then, I saw the announcement. I got the location because of my good qualifications. However, before I never had a relationship with District 4.” (E3, male, 46, Turkish, bakery)

Another third also stated that the location decision was pure coincidence, but these entrepreneurs were familiar with the neighbourhood before. Some live in the area or have worked here before; a few were already born in the district or know a lot of people around. So,
they could partly benefit from their contacts when looking for a locality – as the example of an advertising agency illustrates:

“It wasn’t like ‘we have to go to District 4’. But of course, here we have architectural offices, design shops, advertising offices, and a lot of cool shops – that’s attractive. It’s a good place. We always moved when we had a good opportunity. Here, we knew the architect and the owner.” (E6, male, 38, Swiss, advertising agency)

The remaining third of our interviewees – except for the owners of a multi-generational family business – were explicitly looking for a locality in the area. These nine persons considered the spatial conditions, the image of the district and the composition of the population in ethnic, socio-demographic and socio-economic terms as ideal for their entrepreneurial activities. Therefore, they were explicitly searching in a certain neighbourhood of the case study area. Their decision was always about the accessibility of customers, but the different entrepreneurs had different customers in mind. Two immigrant entrepreneurs who sell a number of ethnic products, for instance, needed to settle in the close surroundings of their ethnic community:

“Our business only works here. At other locations we considered, other food cultures were desired – for example Turkish food at the Lochergut. Here, we have a lot of Tamils.” (E38, male, 52, Sri Lankan, Indian and Tamil takeaway restaurant)

Some other entrepreneurs deliberately settled in areas subject to gentrification such as the Europaallee, since they were looking for young and relatively wealthy people with an urban lifestyle. These enterprises all belong to the creative economy. As one interviewee puts it:

“It is an aspiring neighbourhood. It has many young companies, many designers, and many architects. And regarding the housing situation: there are a lot of young people who are potential clients.” (E9, female, 36, German, goldsmith)

Another owner of a creative company stated that he needed to provide a pleasant environment to his employees – an appealing neighbourhood that enhances creativity.

These nine businesses also include a music club that benefits from a location at the Langstrasse in the middle of the nightlife district, a nursery that chose a locality in a diverse neighbourhood with a lot of families and an alternative bookshop that settled in District 4 due to its former socialist population. Finally, there is an owner of a coffeehouse who chose a location at the Langstrasse since he needed an easy-going neighbourhood for establishing his business:

“Here, the expectations for the quality of service and for what you can create are not super high. At places such as Bahnhofstrasse, people have different expectations and treat you in a different way. The best place to start and build up a brand is Langstrasse because you can create an
atmosphere which you can’t create somewhere else. Here it’s acceptable to have fun.” (E37, male, 27, New Zealand, coffeehouse)

In a nutshell, important factors in the location decision were low rents, the central location of the district, potential competition in the close surroundings and the accessibility of customers. However, only a minority of entrepreneurs considered neighbourhood diversity an important factor. Thereby, different elements of diversity were referred to: the presence of a certain ethnic community, a certain age group or a certain social stratum.

When directly asked about their perception of the diversity in the area and the relevance of this diversity for their businesses, at least half of our interviewees clearly negate any influence of these considerations on their location decision. Neighbourhood diversity did not play a role when they were establishing their businesses. In this context, however, many interviewees mention the favourable impact of the ongoing urban development in the area. They benefit from new and wealthier clients and the changing image of the neighbourhoods – and these statements do not stem from creative entrepreneurs only. One example nicely illustrates this perspective:

“Personally, I like the multicultural environment, but it is not relevant for my business. It’s more important that the neighbourhood is developing, that the housing market is booming, and many young people are moving here.” (E9, female, 36, German, goldsmith)

As we can see, the ethnic diversity in our case study area mainly serves as a consumer good, as a nice backdrop for everyday life.

However, a few people also mention the negative aspects of these gentrification processes: increasing rents, less diversity, elimination of small companies from the market and rising uniformity. The opinion of the entrepreneurs concerned is basically that the City of Zurich should not exaggerate these developments but that they do not challenge the city’s strategy in general.

Nevertheless, one aspect of the prevailing ethnic and cultural diversity in the city came up rather frequently. Several interviewees referred to the fourth wave of immigration and the arrival of highly qualified immigrants. Obviously, the sharply increasing number of German nationals generated substantial new revenues. These well-qualified specialists have well-paid jobs and therefore the financial means to influence the local economy. In particular, members of the creative class and entrepreneurs selling products or services for a higher standard of living benefited from this wave of immigration. For instance, a jewellery designer keeping an urban design shop stated:

“The Germans love our shop. We benefited a lot from the German wave. When they arrived some years ago, they stormed our shop. The boom in these years was completely the result of this wave of immigration. But during the last three years, the demand declined again. Maybe they realised
that the living costs are not that low in Zurich and that they have to pay a lot of taxes at the end of the year…” (E15, female, 47, Swiss, store for design)

So, as Switzerland is an immigration country, the immigrants have a substantial impact on the economy. The recent wave of immigration mainly affected creative entrepreneurs and lifestyle products.50

5.4.3 Selecting the line of business
The decision to follow a certain line of business is a crucial step in establishing an enterprise, and it presumably depends on individual characteristics such as education, skills and ideas, on the local opportunity structure, including market structures, and on the institutional context. The present section explores the interviewed entrepreneurs’ reasons for selecting their line of business.

For the vast majority of our interviewees, selecting the line of business was not a strategic decision but a logical step given their education and knowledge. At least two thirds of the sample established a business in the field where they pursued their vocational education. The offset printer set up a printing plant and the tailor opened up a tailor shop. In these cases, selecting another line of business was never a consideration.

A few entrepreneurs used the step of becoming self-employed to turn their hobby into their profession. This group of entrepreneurs particularly includes many creative people. Before, they were working as employees in a different vocational field, and some of them therefore needed to complete an additional training. For them, selecting a new line of business was not the result of a quick decision or of someone else’s influence, but of a long process of reflecting on their career plans and achieving a certain financial security. A former accountant who founded a dance school explained:

“I have always danced and I just had the impression that life is much more beautiful if you can turn your dream, your hobby, into a profession. I want to pass on the joy I feel myself. It doesn’t bother me that I work all day.” (E26, female, 55, Swiss, dance school)

Two immigrant entrepreneurs from non-EU countries, however, strategically selected their line of business. In order to escape their jobs as unskilled employees, they chose a business with a low threshold to access. The Iranian social worker took over a tobacco shop, and the entrepreneur from Sri Lanka opened up an Indian and Tamil takeaway restaurant. The latter explained his decision as follows:

“The reason was that in 1999, there were a lot of Tamils in the City of Zurich, but no Tamil restaurant. The second reason was the idea that in Switzerland, it could be profitable to sell vegetarian food (since a number of the dishes offered are vegetarian).” (E38, male, 52, Sri Lankan, Indian and Tamil takeaway restaurant)
Another interviewee, a highly qualified entrepreneur belonging to the fourth wave of immigration, was also searching for an interesting market niche to establish her own business. Following the decision of becoming self-employed, she needed a convincing business concept – an idea that she would love to implement and that would possess innovative character. She described this process as follows:

“First, there was the idea of establishing something on my own. The question of which sector I should choose only came as a second step. And it was a combination of several factors: I studied change management, I love to garden, and at that time urban agriculture was comparatively unknown in Switzerland. So, at first, I started with an online shop. Since I worked as a consultant at the interface of business and IT before, I knew that I could set it up myself.” (E14, female, 34, Austrian, urban agriculture shop)

5.4.4 The availability of advice, start-up support and finance

The social, cultural and financial capital of a person establishing a business seems to play a significant role. This section now investigates from whom the interviewed entrepreneurs may have received knowledge and support as well as the initial capital to set up their enterprise.

Half of the interviewees of our sample stated that they did not rely on external support, but that they have realised and financed everything by themselves. The Swiss nationals are slightly overrepresented in this group. Relying on their savings, they slowly and gradually got their business running. Thereby, some business people additionally had to take on a side job in the beginning to cover their expenses. The reasons for denying any support are twofold: some entrepreneurs just had sufficient financial means, whereas other entrepreneurs refused to depend on someone else. The latter case is nicely illustrated by a quote of a hairdresser from Burkina Faso:

“When establishing my business, I didn't want any support. Otherwise, I couldn't have slept at night anymore. I don't want to be dependent on anyone. Anyway, for a hairdressing salon, you don't need much for getting started.” (E8, female, 45, Burkina Faso, hairdressing salon)

In terms of support, we can distinguish between financial support, general assistance in managing the enterprise, and help received regarding legal and administrative aspects.

A third of our interviewees stated that they received external financial support. Thereby, this initial capital stemmed, evenly spread, from four sources: commercial bank loans, family members, friends and former employers. The immigrant entrepreneurs who needed some external capital mainly obtained it from their friends – Swiss friends and friends belonging to their ethnic community but living in Switzerland. So, there wasn't any transnational capital involved in the formation of the businesses surveyed. With respect to the ongoing gentrification processes in the area, additionally pushed by the city government, one business in our sample, a bicycle repair shop, received money from the ‘Langstrasse credit’. This enterprise obviously
corresponds to the image of a ‘neighbourhood-oriented shop’ with an ‘appropriate business structure’ (City Council of Zurich, 2010b: 1).

Approximately a quarter of the entrepreneurs obtained some general assistance in managing the enterprise – half of them were supported by their life partners, the other half by family and friends. A striking example is the Turkish baker, who developed the profitable business concept of offering a twenty-four-seven service in the middle of the nightlife district. However, legal restrictions prohibit the scheduling of retail sales employees during night hours – only owners are allowed to run the business during this time. Therefore, the fact that the baker’s family members were holding shares was crucial to the success of this business concept (see also Bosswick, 2010). In the interview, he clearly highlighted the importance of these family ties:

“My family always supported me a lot – until today. Without a family, a twenty-four-seven service would not be feasible.” (E3, male, 46, Turkish, bakery)

However, the empirical evidence does not indicate that social networks are more important for immigrant entrepreneurs than for Swiss nationals. And of our interviewed immigrant entrepreneurs, only a few are strongly involved in their ethnic community.

Finally, there are a few entrepreneurs in our sample who received help regarding legal and administrative aspects. Among their family and friends, they had experts supporting them with preparing a budget or clarifying legal issues. One entrepreneur took a course for unemployed persons on how to become self-employed, which was provided by the ‘Self-employment’ specialist unit of the Canton of Zurich.

5.4.5 Conclusions
In the process of establishing a business, the motivations and decisions made are influenced by the characteristics, skills and ideas of the individual entrepreneur, the local opportunity structure and economic situation, and the rules and regulations belonging to the institutional context. The empirical evidence shows that the vast majority of the entrepreneurs always wanted to become self-employed one day and waited for a suitable opportunity. These entrepreneurs generally established a business in the field where they pursued their vocational education. A smaller group of entrepreneurs, which included many creative people, opened up a business by turning their hobby into their profession, changing their vocational field for the sake of self-fulfilment. Furthermore, a few ethnic entrepreneurs – only from non-EU countries – founded an enterprise to escape from low-quality jobs and therefore chose a business with a low threshold to access. This finding confirms the hypothesis of the disadvantage theory, whereupon becoming an entrepreneur is a survival strategy, particularly when minorities encounter barriers that deny advancement in the formal labour market (Fischer and Massey, 2000; Hackler and Mayer, 2008).

About half of the interviewees benefited from external support in establishing their companies, in the form of financial support from different sources, assistance in the daily management of the business, or legal and administrative counselling. Highly important in this regard was the help of
family and friends – confirming the importance of social capital in becoming self-employed (see e.g. Davidsson and Honig, 2003; Klyver et al., 2008; Menzies et al., 2006).

Regarding this founding process, we took a closer look at the neighbourhood diversity as an important element of the local opportunity structure that probably has a strong impact on entrepreneurial decisions. With respect to the location decision, approximately a third of the interviewees explicitly wanted a locality in our case study area. They considered the spatial conditions and the composition of the population to be ideal for reaching their target audience – mostly a certain ethnic community, a certain age group or a certain social stratum. Other important factors in the location decision were low rents, the central location of the districts and potential competition in the close surroundings.

When directly asked about the relevance of neighbourhood diversity for their businesses, about half of the interviewees negated that these factors had any influence on their location decision and on the business operations. However, many business people obviously benefited from the ongoing urban development in the area – from new and wealthier clients and the changing image of the neighbourhoods. Thereby, several entrepreneurs referred to the fourth wave of immigration and the arrival of a high number of highly qualified German nationals as generating substantial new revenues. In particular, creative entrepreneurs and businesses selling products or services for a higher standard of living benefited from this population group.

5.5 ECONOMIC PERFORMANCE AND THE ROLE OF URBAN DIVERSITY

The connection between urban diversity and economic performance has attracted substantial attention in the last years and it is widely recognised that diversity and immigration produce obvious economic effects. Thereby, the literature on the subject is not in complete agreement regarding whether these effects on employment and performance are rather negative or positive. However, most authors regard urban diversity as a key factor in a city’s economic success (see e.g. Bodaar and Rath, 2005; Eraydin et al., 2010; Fainstein, 2005; Florida, 2002; Nathan, 2011; Ottaviano and Peri, 2006; Tasan-Kok and Vranken, 2008). Ottaviano and Peri (2006), for instance, demonstrated a strong positive correlation between cultural diversity and the productivity of native citizens in the United States: in metropolitan areas where the share of foreign-born residents increased between 1970 and 1990, native-born citizens experienced a significant increase in wages and housing rental prices. For the United Kingdom, Nathan (2011) showed that there are some positive links between super-diversity and both wages and employment at the urban level.

In recent years, the theory of the creative class and its relation to economic growth has gained a lot of attention. Florida (2004), the theory’s main proponent, postulates that the presence of creative workers increases regional economic competitiveness and that these creative people choose certain places to live because they are tolerant, diverse and open to creativity. Lee et al.
(2004) argue in the same vein that tolerant and diverse regions attract human capital and as a result produce high levels of entrepreneurship.

With respect to our case study area, two studies on this subject seem particularly relevant. Niebuhr (2006) showed for Germany that cultural diversity does indeed have a positive influence on innovative activity at the regional level. However, the strongest impact on innovation output is found for diversity among highly qualified employees. So, the cultural diversity of highly skilled labour is especially important for innovation and economic performance. In a study on metropolitan areas in the United States, Hackler and Mayer (2008) demonstrated that a region’s creative milieu cannot explain business ownership of ethnic minorities and women – gender, race and ethnicity do not benefit from integrated populations. In these cases, the opportunity structures in a region are of significantly more importance, such as entrepreneurs’ access to markets, financial resources, skills and institutional support.

In the present section, we now investigate the following research questions:
• What factors are important to the economic success or failure of the enterprises?
• What is the current level of performance, and how has it changed?
• To what extent does the diversity of the neighbourhood play a role regarding economic performance?
• What are the long-term plans of the entrepreneurs?
• Do they have any plans to change size, market or business strategies in order to reach higher levels of competitiveness?

5.5.1 Economic performance of the enterprises
The present section focuses on how the interviewed entrepreneurs define the current performance of their enterprises and what factors they consider to be responsible for their success or failure. Furthermore, we aim to outline the economic development of the company over the last years and try to find explanatory factors and classify them according to the different types of entrepreneurs and businesses.

The small and medium-sized businesses in the City of Zurich seem to be doing well in general. Two thirds of the interviewees stated that they are very or rather satisfied with the economic performance of their enterprise. Most of these entrepreneurs invest a lot of work in their business and are “not growing rich”, but as long as they continue to exist and can pay the employees’ wages, they are content with the situation. Regarding the development over the last five years, around a third of the interviewees experienced a clear growth in turnover; another third described their sales and turnover as constant.51

However, there are still quite a number of entrepreneurs who are – at least partly or in certain periods – struggling to survive. The most frequently quoted problems include the steadily rising market for online shopping and the strong Swiss currency. A bicycle mechanic described the situation as follows:
“As soon as people start googling, we, the shops in Switzerland, have lost out. During the last years, competition was growing and online shopping got stronger. Sure, it has existed for quite some time now, but in the last years, it became noticeable.” (E12, male, 42, Swiss/Croatian, bicycle repair shop)

These changes not only affect the retail market, but also have an impact on the services sector. The owner of an advertising company, who is mainly engaged in digital communication, explained:

“Our industry is exposed to global competition. Our services may be provided at any place in this world – the IT language is universal. And our problem is the high value of the Swiss franc. The only advantage we still have is that communication is dependent on the context. An Asian company, for instance, does not possess the contextual knowledge required for advertising in Switzerland.” (E7, male, 49, Swiss/Dutch, advertising agency)

Several businesses in the retail and services sector are witnessing a difficult time, and some companies have even had to reduce their staff in the last years.

With respect to our interviewees, it seems that the manufacturing industry, including enterprises such as bakeries, painting companies and carpenter’s workshops, is the most stable sector. Here, the international competition and the rising online market probably do not pose as much of a threat as they do in other sectors. Our sample of manufacturing businesses is small, however, with only eight companies.

Regarding concepts to master the current challenges and survive in the long run, we may identify two dominant strategies that are frequently applied among the businesses surveyed and are often effective. About a third of the interviewees put a strong focus on the quality of their products and services – providing for instance sustainable, organic, local or fair-trade products and services. Another third of the enterprises put stress on high customer orientation by creating fully personalised products, establishing a personal relationship with the customer or guaranteeing constant accessibility.

The first business strategy of going for high-quality services and selling niche products is illustrated in the following two typical statements:

“The decline in prices in the book market is a severe problem: over the last 10 years, the prices have dropped by around one third. Additionally, we feel the competition of the online bookshops and the e-book readers. It is hard to react since we are not competitive regarding prices. But we can try to attract people through an inspiring product range, exciting events and an attractive locality.” (E17, male, 63, Swiss, bookshop)

“We mainly produce unique items of jewellery made of gold and platinum with gemstones and diamonds. All our pieces are handmade unique items. And everything is fair trade. We have
The Max Havelaar label, which only very few jewellers possess in the City of Zurich. So, the traceability of the stones is fully controlled. Of course, this increases the price a little, but we want to offer fair goods.” (E9, female, 36, German, goldsmith)

The second business strategy focusing on high customer orientation is described in more detail by two quotes as well:

“I have never had the impression that my business is slowing down. My customers are dependent on their appointments. Sometimes, I have the impression that I’m a point of orientation for my clients – something that belongs to them alone. I think you can’t keep customers by giving them a new hairstyle only. I’m their confidante – and if all else fails, they know they can always come to me.” (E4, female, 53, Swiss/Italian, hairdressing salon)

“Our printing plant is informal, flexible and uncomplicated. The clients may take part in the printing process and they also get free coffee, for instance. Many customers also have our mobile numbers and in case of an emergency, we’re always reachable – twenty-four-seven. We take our time for our clients; we think long-term and invest in the relationship with the customer.” (E1, male, 45, Swiss/Italian, printing plant)

As the evidence shows, if a smaller Swiss enterprise wants to withstand the international competition, it needs to go for high-quality products or strong customer ties, since it is not competitive in terms of prices. These two business strategies have made a large contribution towards the survival of our interviewees’ companies. This finding especially applies to the retail trade and the service sector, which are most strongly exposed to international competition. Thereby, some companies were more successful than others when implementing these strategies. However, the few entrepreneurs that did not show any reaction to the strained economic situation told of a clearly worse economic performance and a worse development of their businesses than the other entrepreneurs.

5.5.2 Markets, customers and suppliers

As an important element of the economic performance of the businesses surveyed, we now take a more detailed look at their customers and suppliers. In the present section, we try to evaluate the role of diversity in economic performance and the impact of the neighbourhood in terms of customers and suppliers.

The entrepreneurs’ main markets are clearly the neighbourhood and the city. Only a few interviewees declared the Canton of Zurich, the whole country or even foreign countries as their main markets. More than half of the entrepreneurs have customers from all over the city – people who live or work in the City of Zurich. Only slightly fewer entrepreneurs perceive their neighbourhood as their main market. In some cases, the customers differ depending on the day of the week and the time of day, as the example of the twenty-four-seven bakery located in the middle of the red-light district illustrates:
“We have all different kinds of customers and it is dependent on the weekday. From Monday until Wednesday, we have the people from the neighbourhood. And at the weekend, we have customers from all over Switzerland – mainly young people going out in Zurich. And well, the prostitutes come every day.” (E3, male, 46, Turkish, bakery)

Thereby, the catchment area of the creative entrepreneurs is significantly larger than that of other enterprises. Probably, customers are not willing to travel longer distances for a tobacco shop, a painting company or a tailor shop, but they surely are for a jewellery store, a music club or an advertising agency. So, the catchment area is mainly dependent on the type of business. Enterprises offering goods or services for the daily needs – or at least for frequent use – often have customers living or working in close proximity. On the other hand, businesses producing more exclusive goods or providing services that are less frequently used attract clients from further away as well.

The three businesses additionally serving international clients are all owned by immigrant entrepreneurs: a hairdresser from Burkina Faso, the owner of a coffeehouse from New Zealand, and a business consultant from the Czech Republic. However, only the hairdresser serves her ethnic community from foreign countries as well; in the other cases, the clients and the entrepreneurs do not necessarily belong to the same cultural group. The consultant supports foreign companies in breaking into the Swiss market, and the owner of the coffeehouse benefits from sharing a locality with a hostel that accommodates mainly international guests.

Regarding the ethnic diversity among the customers, a third of the interviewees stated on their own initiative that their clientele is totally mixed. Independent of type of business or entrepreneur, they serve ethnically very diverse customers. The manager of a nursery describes her audience as follows:

“It’s totally mixed. We have many families from the South: Portugal, Spain and Italy. But we also have people from India, from Turkey and then from Anglphone countries. In one of our groups, we once had 18 different nationalities among 21 children. Some parents who don’t speak German or Swiss-German at home, only have their children in the nursery so that they learn German. So, later in the kindergarten, they are able to communicate with the other children and don’t become outsiders.” (E27, female, 35, German, nursery)

Only two of the immigrant entrepreneurs in our sample capitalise on their ethnic communities: a hairdresser from Burkina Faso and a Sri Lankan running an Indian and Tamil takeaway restaurant. However, the restaurant’s clientele has changed over the last years and is now more and more dominated by Swiss nationals working or living in close proximity.

Several interviewees – mainly but not exclusively creative entrepreneurs – referred to the fourth wave of immigration bringing them many new customers from different EU countries, but mainly from Germany. These highly qualified immigrants obviously generated substantial new
revenues – especially for members of the creative class and entrepreneurs selling products or services for a higher standard of living. However, this well-off clientele apparently disappeared again in the last few years, and the demand declined. Although the proportion of German nationals in the City of Zurich is still increasing and has now reached 25.4% of the total foreign population (City of Zurich, 2015), a change in their buying behaviour has obviously taken place. This change may be due to the strong Swiss currency and the fact that the Swiss National Bank was discontinuing the minimum exchange rate of CHF 1.20 per euro in January 2015. Some entrepreneurs also suppose that it simply took these immigrants a while to estimate the true costs of living in the City of Zurich. Anyhow, this declining demand especially affected the creative entrepreneurs as well as businesses selling more expensive goods and services.

Regarding socio-economic diversity, many interviewees stated that they benefit from the ongoing urban development in the case study area and thus from new and wealthier clients. Apart from that, socio-economic groups were hardly mentioned during the interviews. Just a few business owners explained that probably only well-off people can afford to buy their products or services.

With respect to socio-demographic diversity, nearly a third of our interviewees reported a clientele belonging to a certain age group. Depending on their type of business – be it a nursery, a music club, a dance school or a driving school – these entrepreneurs understandably address customers of a specific age class. Furthermore, several creative entrepreneurs mentioned that their clients are mainly female.

Choosing the suppliers for their companies represented a crucial and very conscious decision for all interviewees. The vast majority of the entrepreneurs attach high importance to the fact that their supplies are provided very locally in order to support the local industry. They also estimate the short distances, but they are particularly aware of their responsibility and the significance of mutual support among smaller businesses – as a very illustrative quote of a hairdresser shows:

“Of course, I could get the material for less money in Germany. But I can’t complain about people going abroad to do their shopping and have their hair cut, if I do the same thing. You can only support your national economy if you do the shopping within the borders. I have my principles. Because I see the long-term consequences: all these small shops will gradually disappear. But the diversity of these shops actually embodies the character of the city.” (E28, female, 55, Swiss, hairdressing salon)

In choosing their suppliers, our entrepreneurs buy products from further away if and only if there is no suitable alternative nearby. However, some immigrant entrepreneurs selling specific ethnic products certainly need ingredients from their home country.
5.5.3 Relations amongst entrepreneurs: Evidence of competition or cooperation?

Doing business in the same neighbourhood may create a positive environment for networks among particular types of entrepreneurs. Lynch and Morrison (2007), for instance, show how networks strengthen the economic performance of small business operators. The present section now explores the entrepreneurial relations in our case study area and evaluates the contribution of such contacts towards the performance of the businesses surveyed.

A large majority of our interviewees know the other entrepreneurs in their neighbourhood, but primarily in the immediate surroundings. These ties are mostly described as not very close. They meet in the street, chat with each other and buy each other’s products or services. But this exchange is in most cases neither very frequent nor very personal. Among the entrepreneurs they are familiar with, there are in general different types of businesses and people. Similarly, the immigrant entrepreneurs know very few business owners or managers from the same ethnic community. It is rather the different companies in close vicinity that they have some contact with.

From our data, we can extract three main explanatory factors for the scope of the entrepreneurs’ business networks and the closeness of these ties.

First, the time already spent in the neighbourhood strongly influences the amount of social contact with other entrepreneurs. There are several interviewees who grew up in the same district and established their businesses decades ago. Naturally, these persons are on intimate terms with many other entrepreneurs in their neighbourhood.

Second, being a member of the trade associations of the districts or neighbourhoods in the case study area obviously plays an important role in building up a business network. Many interviewees mentioned this association as a crucial institution for making contact with other entrepreneurs.55

Third, the closeness of ties is apparently place-dependent. In some neighbourhoods, the community spirit is obviously stronger and people are closer. This finding especially applies to the neighbourhood of Albisrieden in District 9 – a former small farming village that still preserves its rural character and is mostly a quiet residential area with a lot of green spaces. Entrepreneurs from Albrisrieden mention their large networks and their good relationships with other business people in the neighbourhood significantly more often. The quote of an optician who did not grow up in the neighbourhood clearly illustrates this situation:

“Since we moved here, we have had quite a lot of contact. In our first year in Albrisrieden, I got to know more entrepreneurs than during the 10 years at ‘Stauffacher’, closer to the city centre. In the first months, again and again other entrepreneurs kept coming spontaneously to introduce themselves. I appreciate these relationships and it also brought us new customers.”
Here in Albisrieden, it seems to me, it is quite important to become integrated in the business community.” (E21, male, 51, Italian, optician shop)

With respect to entrepreneurs working in the same industries and business areas, we additionally investigated the nature of this contact: is it rather about competition or cooperation? Among the interviewees, only one mentioned some competitive behaviour of the market players. The vast majority of the business people stated that they benefit from each other: they sometimes work together and offer mutual support, and some entrepreneurs also pass customers or orders to their competitors when they are overburdened. This sort of cooperation may be labelled as ‘untraded interdependencies’ (Storper, 1997) – informal relationships and habits that coordinate economic actors under conditions of uncertainty – and is nicely described in the following quote:

“There is another hairdresser in the neighbourhood and we have a good cooperation. If we need something, we can borrow it from each other. Once they had a renovation of their heating system, and since I was on vacation during this time, I offered him to bring his customers into my salon. Why not? It won’t do any harm. My clientele is happy with my service and it won’t take any customers away. This competitive thinking seems strange to me. And actually, it worked very well.” (E28, female, 55, Swiss, hairdressing salon)

So, the social contacts among entrepreneurs in the same neighbourhood in general clearly contribute to the performance of our entrepreneurs’ businesses – even if only in a marginal way.

5.5.4 Long-term plans and expectations of the entrepreneurs

As a last step in investigating the economic performance of entrepreneurs and the key drivers behind them, we take a look at the long-term plans and expectations of our interviewees. Do they plan to go beyond local markets or do they want to back out of their businesses? And how do the interviewees perceive their entrepreneurial future and the future market opportunities?

As the empirical evidence shows, about three quarters of the interviewees do not aspire any change regarding their business activities. They want to remain the way they are now. Some entrepreneurs, however, aim at implementing some small changes in their range of products or services. The reasons for this ‘stagnation strategy’ are threefold: some entrepreneurs just consider themselves as being too old to carry out some changes, some are completely happy with their current situation and some entrepreneurs do not see any possibility other than trying to maintain the status quo. The two latter arguments are described in more detail in the following statements:

“Once, I had the possibility to acquire a lot more customers at one go. But I didn’t want to. I’m more of a practitioner. I don’t want to spend my time in the office acquiring new orders to keep my employees busy, since I like to be on the construction site myself. I think I’d rather stay small and happy.” (E20, male, 37, Swiss, painting company)
“Today in the retail trade, maintaining your business model is growing. Therefore, it is already a success if you remain stable.” (E13, male, 56, Swiss, shoe shop)

However, several entrepreneurs have higher ambitions and plan to enlarge their companies – either by strengthening a certain business line or by opening new branches. And there are a few interviewees who at least do not exclude the possibility of growth. Among the more ambitious business people, we find significantly more immigrant entrepreneurs. These people come from different countries and belong to different socio-economic groups and business areas, but what connects them is the fact that they came to Switzerland to “achieve commercial success”. A Turkish baker, for instance, now plans to additionally deliver his products to other shops and restaurants in order to reach higher levels of competitiveness. A further immigrant entrepreneur from New Zealand described his ambitions as follows:

“There’s a lot of room to create new opportunities everywhere. I’m not the sort of person who travels to Zurich to build that one coffeehouse at Langstrasse. I plan on starting other coffeehouses, for instance in the City of Winterthur; but I generally want to set new standards of coffee making.” (E37, male, 27, New Zealand, coffeehouse)

Finally, there are two interviewees who will be forced to relocate their businesses in the near future, at least one of them due to the ongoing gentrification processes in the district. A printing plant located in District 4 at the Langstrasse has to move out since the owner wants to renovate the building and has therefore terminated the rental agreement – something that may be witnessed more and more frequently at this location.

5.5.5 Conclusions
Despite all the challenges, two thirds of our entrepreneurs are still very or rather satisfied with the economic performance of their enterprises. Half of them even experienced a clear growth in turnover over the last five years, and the other half described their sales and turnover as constant. Explanatory factors behind this success include a consistent business strategy going either for high-quality products or for strong customer ties. Since Swiss entrepreneurs cannot compete with foreign companies in terms of prices, these strategies make them weather the difficult economic situation caused by the steadily rising market for online shopping and the unfavourable exchange rate development, which especially affects retail trade and the services sector.

Furthermore, the good relationships among entrepreneurs in the same neighbourhood have a favourable influence on their economic performance as well. A large majority among our interviewees know the other entrepreneurs around them – although not very intimately – and benefits from mutual support. Regarding the scope of the entrepreneurs’ business networks and the closeness of these ties, there are three main explanatory factors: the time already spent in the neighbourhood, membership in a local trade association and being located in the still rather rural neighbourhood of Albisrieden.
The ethnic and cultural diversity of the area also had a clear impact on economic performance in several cases, but only with respect to a certain dimension: highly qualified immigrants generated substantial new revenues. Thereby, this wave of immigration was especially beneficial for creative people and entrepreneurs selling products or services for a higher standard of living. This finding corresponds to a study from Germany showing that the cultural diversity of highly skilled labour is especially important for innovation and economic performance (Niebuhr, 2006). Although this well-off clientele is still very present in the City of Zurich, its demand has decreased over the last years, affecting mainly the entrepreneurs mentioned.

The entrepreneurs’ main markets are clearly the neighbourhood and the city. The catchment area of the creative entrepreneurs is thereby significantly larger than that of other enterprises – probably due to the fact that these businesses produce more exclusive goods or provide less frequently used services attracting clients from further away as well.

Regarding their long-term plans, about three quarters of the interviewees do not envision any change regarding their business activities. Among the entrepreneurs with higher ambitions, we find significantly more immigrant business people. Although they differ in many respects, they all came to Switzerland to achieve commercial success and ambitiously implement their visions.

5.6 INSTITUTIONAL SUPPORT AND GOVERNMENT POLICIES

Government policies shape the institutional environment in which entrepreneurial decisions are made. Thus, government policies are important for entrepreneurship and they may have a productive, unproductive or even destructive impact on entrepreneurial activity (Minniti, 2008). Thereby, as many studies show, immigrant entrepreneurs still confront more barriers in their business practice than do other entrepreneurs, with for instance access to financing being a persistent problem (see e.g. Teixeira et al., 2007). In Swiss law, several regulations that are relevant for entrepreneurs in general often especially affect immigrant entrepreneurs due to their sometimes lacking or incorrect understanding of these regulations and the fact that the perception of normality versus exception related to work is sometimes culturally differing from the Swiss habits (Bosswick, 2010; City of Zurich, 2008a).

Furthermore, governmental assistance addressed at immigrant entrepreneurs is very scarce in Switzerland and in the City of Zurich. Despite some small initiatives supporting young people with a migration background who face difficulties in finding vocational training and employment (‘Migration=Chance’ and ‘Vertigo’), there is no assistance specifically for immigrant businesses. Within the general policies on entrepreneurship and the labour market, the migration background of the entrepreneurs is not of relevance – given that they hold a permanent residence permit. However, migrants from non-EU/EFTA countries holding only a temporary residence permit must comply with stricter regulations and only receive a temporary license to commence business activities, which impedes their access to commercial bank loans (City of Zurich, 2008a).
According to Bosswick (2010), there are very few counselling institutions in Switzerland which provide information to start-up entrepreneurs. For the Canton and City of Zurich, we find some relevant instruments and projects: the ‘Self-employment’ specialist unit of the Canton of Zurich provides counselling for unemployed persons who plan to start their own business; the Competence Centre for Start-ups in Zurich – a cooperative composed of, inter alia, local banks, business associations, major firms and the City and Canton of Zurich – offering office space at affordable rates for young start-up entrepreneurs; and a collaboration between the City of Zurich and the Zurich Cantonal Bank offering micro-credits and counselling (‘Go! Goal self-employed’). However, the transition from being employed or unemployed to becoming self-employed is rather critical. Bosswick (2010) describes the Swiss understanding of entrepreneurship as a voluntary self-fulfilment with the entrepreneur carrying all risks of the endeavour. Thus, there are no social security provisions for entrepreneurs, and they are excluded from the regular social security system for employees, requiring private insurance for any social security.

In the present section, we will explore the following research questions:

- Which policies, measures or organisations contribute to the performance of the enterprises?
- Does membership in various associations have an influence?
- What do the entrepreneurs want from policy makers at different levels?

5.6.1 Views on the effectiveness of business support provided by the government

Public policies and governmental instruments such as regulations, incentives or assistance in financial, legal and technical terms constitute important conditions under which entrepreneurs start their enterprise and operate their business activities. The aim of this section is therefore to collect and analyse information on the types of support provided by the government and to understand whether and how the entrepreneurs have been able to benefit from the existing policies, regulations and initiatives.

As the empirical evidence now shows, however, only a few of the interviewed entrepreneurs stated that they benefited from a governmental regulation or initiative. The predominant majority in our sample are not aware of any support or assistance provided by the government. This result mainly arises from the fact that there are generally very few institutions providing information or support for start-ups or for immigrant entrepreneurs.

Among the persons who answered in the affirmative, two entrepreneurs occasionally receive mandates from the City of Zurich. A sports shop could for instance assume the duty of renting out skis for the ski camps of some school classes. In this case, the city covered part of the rental fees. Another business owner attended a course by the employment service of the Canton of Zurich that provided counselling for unemployed persons before she started her enterprise. And the nursery in our sample receives governmental subsidies for families who do not have sufficient financial resources at their disposal.
In the context of the ‘Langstrasse PLUS’ project and the associated ‘Langstrasse credit’\textsuperscript{56}, 29 entrepreneurs in the neighbourhood of the Langstrasse in District 4 received financial means in order to support “the maintenance, the extension, the renovation or the creation of localities for neighbourhood-oriented shops, restaurants and small trade” (City Council of Zurich, 2010b: 1). One of these enterprises, a bicycle repair shop, is among our interviewees.

5.6.2 Wider awareness of organisations, programmes and initiatives to support entrepreneurs

Following the presentation of governmental support mechanisms, we now seek to understand whether the membership in non-governmental organisations such as business organisations, trade associations or other less formal institutions provides any added value to the entrepreneurs or not. A further aim of this section is to find out whether the interviewed entrepreneurs are aware of existing organisations and support schemes in the first place.

The most important organisations in supporting the interviewed entrepreneurs by far are the local trade associations: more than half of the enterprises surveyed are members of these cross-business organisations. In our case study area, there is one association at the district level – the trade association of District 4 – and two organisations at the neighbourhood level – the trade associations of Altstetten and of Albisrieden in District 9. These organisations aim at addressing the needs of the local enterprises, representing their interests towards the public authorities and enhancing the solidarity among the entrepreneurs in the neighbourhood. A clear majority of the associated companies benefit from their membership: the interviewees mostly mention their wider business networks, the opportunity of acquiring new clients, the fact of having a larger voice and the possibility of being more present in the neighbourhood. However, several entrepreneurs stated that they would not lose very much if they terminated their membership. The manager of a nursery describes the association’s contribution towards the performance of her company as follows:

“\textit{As you meet the other entrepreneurs regularly, you can ask them in case you need support or advice. The members help each other in different matters. And if I have the intention to award a contract, I would – if possible – ask somebody from the trade association. The membership also generates some publicity and you are much more integrated in the neighbourhood. You have a voice and you can really participate in the social life of the neighbourhood.}” (E27, female, 35, German, nursery)

However, these local trade associations are apparently quite dominated by Swiss companies, and there are only few immigrant entrepreneurs present. Certainly, these business associations do not exclude any ethnic entrepreneurs, but as Bosswick (2010) shows, they seem to remain indifferent to the role of immigrant entrepreneurs for the local economy without any initiative to reach out to them. Actually, this result may be true for most of these local organisations, but our study shows that for instance the trade association of District 4 actively tried to involve a larger number of immigrants. According to the association’s representative,
they launched an initiative with the collaboration of the MAXIM Theatre – a low-threshold project bringing together people from different cultures – in order to gain more immigrant entrepreneurs as members. But obviously, the initiative failed. The reasons for this absence are difficult to determine – are many ethnic entrepreneurs not familiar with these associations, are there language barriers or is networking within their own ethnic community more important regarding their company’s performance?

From our sample, it becomes apparent that a substantial part of the immigrant entrepreneurs simply do not know about the local trade associations. However, there are significant differences with respect to their country of origin. Persons who arrived with the fourth wave of immigration are familiar with these organisations and very frequently join them. On the other hand, entrepreneurs who migrated from non-EU countries – in our sample, these are countries such as Iran, Sri Lanka, Burkina Faso and New Zealand – have not yet heard of the local trade associations.

Among the non-members, we also find many enterprises belonging to the creative economy, such as a music club, a store for design, a jewellery store and an urban agriculture shop. These interviewees generally consider the trade associations as being rather conservative and traditional and therefore not of great use for their business activity. So, it seems that the local trade associations are indeed still dominated by quite traditional businesses and Swiss – or rather, German-speaking – entrepreneurs.

The second most important organisations in supporting the interviewed entrepreneurs are the professional organisations. A little less than half of the businesses surveyed are members of the organisation of their professional field. This membership facilitates networking with other entrepreneurs, provides them with information on new developments and offers some publicity. However, membership is not always completely voluntary: in many professions, companies training apprentices are obliged to join their professional organisation. Some non-members, on the other hand, criticise that they would not benefit a lot from a membership and that the professional organisations mainly support large companies.

A smaller number of creative workers in District 4 positively mentioned their participation in a private initiative, the ‘Tour of Districts 4 and 5’ (‘Kreislauf 4+5’). This initiative has existed for almost 10 years now and is focused on the area of the Langstrasse that crosses Districts 4 and 5. It consists on the one hand of a yearly updated handbook (print and online) which serves as a guide to the most exciting design shops, studios, bars and restaurants in the area. On the other hand, it involves guided tours by local celebrities always on a weekend in May visiting these stores and restaurants. All interviewed members perceive their participation in this initiative as highly useful and profitable. A jewellery designer keeping an urban design shop in District 4 stated:
"We benefit enormously from the participation in the ‘Tour of Districts 4 and 5’. We pay an annual membership fee of CHF 1,000 (approx. € 915), but it is absolutely worth it. It brings new and interested people into our shop and the handbook is good publicity." (E15, female, 47, Swiss, store for design)

Several interviewees additionally mentioned their participation in non-business organisations such as sports clubs, district associations, relief agencies, political parties, labour unions, cooperatives, parents’ association or the voluntary fire brigade. These organisations do not directly contribute to the companies’ economic performance, but they serve to expand the entrepreneurs’ individual networks.

5.6.3 Policy priorities for entrepreneurship
Public policies shape the entrepreneurial environment and they may have a supporting or inhibiting impact on business operations. The aim of this section is to provide information on the necessities and demands of the interviewed entrepreneurs with respect to governmental regulations and to find out whether or not existing regulations support or inhibit the business activities of our respondents.

The empirical evidence now shows that a lot of entrepreneurs under scrutiny are not interested in governmental support – they established and managed their enterprises by themselves and are proud of it. Around one third of the interviewees were not willing to formulate any demands, since they try to make it all on their own. Thereby, especially the immigrant entrepreneurs clearly stated that they do not want to be dependent on governmental assistance. A German goldsmith put it as follows:

“If you have developed a business all on your own, it is of much greater value to you.” (E9, female, 36, German, goldsmith)

However, some individual entrepreneurs have made demands and propositions with respect to official practices and regulations. The following list summarises the main arguments:

- Most frequently, entrepreneurs criticize the restrictive parking space policy of the City of Zurich. The situation seems especially difficult for craftspeople, who often bring their equipment with them and therefore are reliant on parking spaces aboveground.
- Some interviewees argue that the city acts in a very bureaucratic manner when it comes to issuing permission for the erection of roadside billboards. They suggest that the city could be more permissive in this respect in order to support the local trade.
- A few entrepreneurs wish for more support regarding the training of apprentices. In the dual educational system of Switzerland, these apprenticeships are of high importance, and our interviewees perceive their investment in apprentices also as a kind of service to society. Since this training requires considerable commitment and time, the entrepreneurs ask for more governmental support or some financial reimbursement.
• Some interviewees ask for a more supportive attitude of the government in general with respect to very small businesses which do not have much operational leeway. Thereby, they refer to possible financial or administrative support.

• A last demand postulates that the city should generally make its purchases locally and not abroad. For instance, libraries should order their books in Switzerland.

Additionally, several entrepreneurs stated that they would have needed loans and counselling when establishing their companies. However, in the meantime, measures such as start-up counselling and the offer of micro-credits have been implemented.

5.6.4 Conclusions
Government policies shaping the entrepreneurial context are apparently not very present in our interviewees’ daily life. The predominant majority of our respondents stated that they have never benefited from a government initiative and are not aware of any governmental assistance. Furthermore, a lot of entrepreneurs under scrutiny are not interested in governmental support because they are proud of managing their companies without any external help. This finding especially applies to immigrant entrepreneurs, who state that they do not want to be dependent on governmental assistance. Among the few policy priorities that have been formulated, the most frequent argument relates to the restrictive parking space policy of the City of Zurich, which has a negative impact on some interviewees’ business performance, especially for companies in the manufacturing industry.

Non-governmental organisations, on the other hand, play a rather important role in supporting small businesses. More than half of the respondents are members of the local trade associations and a little less than half of them have joined their professional organisation. The associated companies benefit from their membership through wider business networks, the opportunity of acquiring new clients, the fact of having a larger voice and the possibility of being more present in the neighbourhood. However, it seems that the local trade associations are quite dominated by rather traditional businesses and Swiss – or rather, German-speaking – entrepreneurs. A substantial number of the interviewed immigrants from non-EU countries are not aware of these associations. This finding is in accordance with other studies showing that immigrant entrepreneurs still confront more barriers in their business practices than do other entrepreneurs (see e.g. Teixeira et al., 2007). Additionally, several creative workers in District 4 positively mentioned their participation in the initiative ‘Tour of Districts 4 and 5’ (‘Kreislauf 4+5’) – a private project involving a handbook and guided tours to the most exciting design shops, studios, bars and restaurants in the Langstrasse area.

5.7 CONCLUSIONS

To trace the relationship between urban diversity and the performance of local entrepreneurs, we conducted a broad qualitative survey at the neighbourhood level involving 38 companies.
The resulting sample constitutes in many respects a representative cross-section of the entrepreneurs and their businesses in our case study area – Districts 4 and 9 of the City of Zurich. Furthermore, it offers new and exciting insights into two crucial groups of entrepreneurs which are present in the city: immigrant entrepreneurs and the creative class.

In general, the businesses surveyed are doing well: two thirds of the interviewees are very or rather satisfied with the economic performance of their enterprises. However, there are still quite a number of entrepreneurs – especially in the retail and service industries – who are struggling to survive. The most often quoted problems include the steadily rising market for online shopping and the strong Swiss currency. Thereby, we could identify two dominant business strategies being frequently applied and clearly contributing towards the companies’ survival: on the one hand, putting a strong focus on the high quality of products and services (e.g. selling handmade niche products or vending organic and fair-trade items) and, on the other hand, laying stress on high customer orientation (e.g. guaranteeing constant accessibility or establishing personal relationships). Therefore, a clear majority of entrepreneurs do not show any ambition to grow – they are happy to remain the way they are now.

The entrepreneurs’ social capital is in many respects crucial for their companies’ performance. For instance, about a quarter of the interviewees could count on their life partner, family members and friends regarding financial support for the initial capital and general assistance in managing the enterprise. Furthermore, a vast majority of entrepreneurs are members of the local trade associations or the professional organisations and appeared to benefit from these memberships through their larger business networks, the opportunity of acquiring new clients, the fact of having a larger voice and the possibility of being more present in the neighbourhood. Finally, entrepreneurs in the same neighbourhood predominantly show cooperative behaviour: although the ties are often not very close, neighbouring entrepreneurs – even when working in the same profession – support and help each other. This behaviour is in accordance with the concept of ‘untraded interdependencies’ (Storper, 1997), which relates to informal relationships and habits that coordinate economic actors under conditions of uncertainty. So, social capital in general is of particular importance for the economic performance of small and medium-sized businesses.

Within our sample, immigrant entrepreneurs constitute an important group: 21 of 38 interviewees have a migration background, 14 of them are first-generation migrants, 12 of whom do not yet hold Swiss citizenship. We use the term ‘immigrant entrepreneurs’, since the ethnic communities in the City of Zurich are generally too small to allow successful ethnic business in a narrow sense and entrepreneurs therefore often need to attract Swiss customers as well (City of Zurich, 2008a). Our sample contains only two immigrant entrepreneurs who capitalise on their ethnic community: a hairdresser from Burkina Faso and a Sri Lankan running an Indian and Tamil takeaway restaurant.

A striking difference between immigrant and native-born entrepreneurs is the variance in their business ties and support schemes. A substantial number of the immigrant entrepreneurs –
especially from non-EU countries – are not members of any supportive business association, since they obviously do not know about these organisations. Furthermore, immigrant entrepreneurs are significantly more likely to state that they do not want to be dependent on governmental support because they want to develop their companies on their own. On the other hand, we find significantly more immigrant entrepreneurs among the more ambitious business people.

The empirical evidence also indicates that social networks are not more important for immigrant entrepreneurs than for Swiss nationals and that only a few are strongly involved in their ethnic community. In the literature, it is commonly acknowledged that high involvement in an ethnic community may be ‘developmental and destructive’ (Woolcock, 1998: 186). And resources such as financial capital, education, experience and parents’ occupation have been found to be more important in business success than ethnic involvement (Marger, 1989; Menzies et al., 2003).

Finally, for some of our immigrant entrepreneurs – mainly those from non-EU countries – founding their own business was the only way to escape low-quality jobs. This result confirms the hypothesis of the disadvantage theory, a subset of opportunity structure theories, whereupon becoming an entrepreneur is a survival strategy, particularly when minorities encounter barriers that deny advancement in the formal labour market (Fischer and Massey, 2000; Hackler and Mayer, 2008).

The second important category in the entrepreneurial survey conducted is the creative class. We categorise 11 entrepreneurs as creative workers, or persons who are self-employed in sectors like the music industry, advertising, the book and press market, and the art and design market. These creative people are predominantly Swiss entrepreneurs or migrants belonging to the fourth wave of immigration and coming from other German-speaking countries. So, this distribution corresponds to the finding that with the current strong immigration of highly qualified persons from the EU, the creative economy has additionally increased significantly over the last years (Inura, 2015).

Many of these creative workers have turned their hobby into their profession. They have often pursued an education in a different field, but after some years of working and earning, they take the next step and eventually do what they love. Since the creative class does not sell everyday products and services, the companies’ catchment areas are significantly larger than those of other enterprises and they are more dependent on economic trends. Furthermore, a substantial number of the creative workers do not hold membership in the local trade associations since they perceive these organisations as being rather conservative and traditional. These entrepreneurs prefer being members of innovative projects of a more recent making that are tailored to their particular needs, such as the ‘Tour of Districts 4 and 5’ (‘Kreislauf 4+5’).

The fourth wave of immigration brought a high number of well-qualified specialists to the City of Zurich. These new customers obviously generated substantial new revenues, especially
for members of the creative class selling products or services for a higher standard of living. Although the demand declined again during the last years, the creative economy benefits a lot from this wave of immigration.

The main goal of the present chapter is to investigate the relationship between urban diversity and the economic performance of the enterprises surveyed. We try to find out if and how neighbourhood diversity affects the companies’ functioning and performance.

As the evidence now shows, regarding their location decision, only a third of the interviewees considered the neighbourhood diversity an important factor. Thereby, only individual elements of diversity were referred to: the presence of a certain ethnic community, age group or social stratum. For instance, two immigrant entrepreneurs needed to settle in the close surroundings of their ethnic community, and some creative entrepreneurs were looking for young and wealthy people with an urban lifestyle. More important factors in the location decision were low rents, the central location of the districts, potential competition in the close surroundings, and the accessibility of customers.

When directly asked about the potential influence of neighbourhood diversity, many interviewees mention the favourable impact of the ongoing urban development and the gentrification processes in the area. They predominantly benefit from new and wealthier clients and the changing image of the neighbourhoods. Thereby, the recent immigration of highly skilled labour, the rising relevance of the creative class and the ongoing gentrification mutually reinforce each other. These developments have a positive impact on the local economy – or at least on some industries. And this finding corresponds to a study from Germany showing that the cultural diversity of highly skilled labour is especially important for innovation and economic performance (Niebuhr, 2006). However, these processes change and reduce diversity – especially socio-economic diversity – in our case study area, since they force poorer people to move to the suburbs. As a consequence, the social and ethnic segregation within the metropolitan area may increase and the socio-economic inequalities may additionally rise.
6 CONCLUSIONS: DEALING WITH URBAN DIVERSITY

6.1 BRIEF SUMMARY OF THE BOOK

Zurich is a vibrant and diverse city with 32% of its population made up of foreign nationals from 169 nations and 61% of its residents having a migration background (City of Zurich, 2012a; 2014; 2015). For the people living and working in the city, diversity has always been a reality – but does this societal diversity affect the social cohesion and social mobility among its inhabitants and the economic performance of its entrepreneurs? How can people benefit from urban diversity, and how should this diversity be governed?

This book investigated the societal diversity in the City of Zurich by looking at different dimensions. It analysed the policy discourse on urban diversity, the policy instruments dealing with it, as well as smaller bottom-up initiatives in the field. Further, it studied the perceptions and experiences of the inhabitants as well as the influence of urban diversity on the decisions and the performance of local entrepreneurs. This section provides a summary of the book, which will be followed by a section discussing whether diversity may be seen as an asset or a liability. The concluding section presents relevant policy recommendations.

The research took place in Districts 4 and 9 of the City of Zurich, one of the most diversified and dynamic areas in the city in terms of population, entrepreneurship and uses. It was based on a qualitative approach and mainly involved documentary analysis and semi-structured interviews. The data collection and analysis were organised into four modules: policies, local initiatives, inhabitants and entrepreneurs. We conducted a total of 111 interviews with relevant actors from the public administration, larger NGOs and bottom-up initiatives, as well as with different residents and entrepreneurs from the case study area in the period between August 2013 and December 2015.

The results have been discussed and validated in regular intervals by our ‘policy platform’, an expert group mainly composed of representatives of the public administration and different NGOs working in the relevant fields. In annual meetings, the developments and results of the project have been presented to the members of the policy platform and have been discussed in detail.

As the statistical overview of chapter 2 shows, Switzerland is an immigration country and migration enhances the population growth in Switzerland more strongly than in other typical immigration countries like Canada or the US. And this development, of course, is
most pronounced in Switzerland’s larger cities. We differentiate between different waves of immigration taking place since the Second World War. With the first two waves in the period from the 1950s to the 1980s, immigrants from Mediterranean countries arrived, meeting the need for workers for construction sites, agriculture and tourism. During the third wave, which occurred in the 1990s, many immigrants from the countries of former Yugoslavia came to Switzerland. And most recently, the fourth wave of immigration started at the beginning of the 21st century, when the ‘Agreement on the Free Movement of Persons’ occurred between the EU and Switzerland, bringing mostly young and highly qualified professionals mainly from Germany. Therefore, the foreign citizens in the City of Zurich are predominantly between 25 and 40 years old, half of whom possess tertiary or higher vocational education. Obviously, the vast and growing tertiary sector in the city – especially the service industry and the financial sector – are in need of skilled labour. Although the immigrants from different countries are not equally distributed among the city districts and some ethnic groups are more predominant in particular neighbourhoods than others, we do not see separated immigrant enclaves or a strong ethnic residential concentration.

In Switzerland, the concept of diversity is generally not a term of high political relevance, but a certain discourse on diversity is encountered in the field of integration policy and – to a certain extent – in the public community work and in housing policies. Therefore, the preoccupation with diversity mainly refers to cultural and ethnical differences as well as to immigration issues – and it is mostly in the urban space that diversity is on the political agenda.

Across all state levels, immigration per se is perceived as mainly positive. Regarding the understanding and the use of the term ‘diversity’, there are clear differences between the three state levels. At the national level, the guideline ‘to consider diversity as a valuable part of society’ is one of four basic principles of integration policy. The main objective of the Swiss integration process is a peaceful co-existence in mutual tolerance, but diversity per se is generally not something that should be supported or even expanded – it is not regarded as an asset. The integration policy of the Canton of Zurich and its understanding of diversity are therefore in accordance with the national level. On the other hand, the City of Zurich frequently uses the term ‘diversity’ in a more positive way. The city wants to be seen as open and cosmopolitan. Diversity is thus a location factor and should therefore be actively sustained and guaranteed. Contrary to higher state levels, diversity is clearly called ‘a gain and a potential’ (City of Zurich, 2012c).

There are also clear differences between the city and higher state levels with regard to the process of integration. At the national and cantonal level, the twofold integration principle ‘to encourage and to require’ is applied – immigrants should be encouraged in their integration and their participation, but they are similarly asked and sometimes formally obliged to integrate themselves into society. The Swiss integration regime is therefore considered strongly assimilationist (Manatschal, 2011), but the legislation on integration only applies to immigrants from non-EU/EFTA countries. The City of Zurich, on the other hand, refuses
repressive measures and rather relies on support and empowerment. Demanding responsibility or an individual contribution of the immigrants is not a pronounced part of its understanding of integration. This difference from higher state levels becomes evident in the wording of the integration guidelines: confederation and canton ‘require individual responsibility’, while the city wants to ‘enable individual responsibility’.

These ideological differences between the city and higher state levels are caused by the different proximity to the ‘object’ on the one hand and by the different political context on the other. The City of Zurich was always directly confronted with a high influx of immigrants and, decades ago, was forced to find innovative ways to integrate newcomers. It thus seems very probable that a more open and pluralist conception of diversity emerged. Additionally, Zurich is politically dominated by left-wing parties – contrary to the cantonal and the national level – which corresponds to a more open and welcoming approach towards immigration.

Representatives of NGOs working in diversity-related fields criticise that the debate focuses only on cultural and ethnic aspects, which carries the danger of neglecting socio-economic inequalities in society. They also argue that diversity is too often seen in economic terms only, which does not necessarily contribute to a better social integration of immigrants. Furthermore, these NGOs and the smaller bottom-up initiatives have a quite different understanding of diversity than the public authorities. Instead of the one-sided concept of ‘integration’, they often use terms such as ‘interculturalism’ and ‘inclusion’, arguing that immigrants should have an equal footing and that emphasis should be placed on spaces of encounter.

The inhabitants of our case study area also predominantly think very positively about the area and do not want to live elsewhere. Having contact with people of other backgrounds, views or ways of life is considered an asset that can help to broaden one’s horizon and promote intercultural learning and tolerance. However, when people had moved to the diverse area they live in now, the diversity of the neighbourhood was not an important pull-factor. On the contrary, the residents were rather looking for similarity in terms of cultural background, attitude and lifestyle. They wanted to live in a place with likeminded people or not stand out, in addition to other important factors such as the affordability and availability of dwellings, of course.

The residential area, however, does not have a big influence on the formation of strong ties, since family members and friends are especially important for the inhabitants’ networks. Their ties in the neighbourhood are predominantly weak. In many cases the bonds between neighbours are friendly but more functional in nature, a partnership of convenience based on common needs. Even though the interactions are superficial, most respondents appreciate the friendliness and social support they find in the neighbourhood. The neighbourhood does not have a strong impact on the inhabitants’ social mobility either. A good personal network and – even more important – a good professional network turned out to be crucial elements in fostering social mobility. People living in the neighbourhood only play a minor role.
Regarding their activities in the neighbourhood, most inhabitants spend a lot of time in the area they live in, using commercial services or public local facilities. People especially make use of the functional diversity in the neighbourhood, rather than of the demographic diversity. Although many different groups of people use the same public space at the same time, it does not necessarily lead to more contact. However, these different groups mostly live peacefully side by side, which is considered very valuable.

The entrepreneurs running a company in our case study area mostly benefit from the ethnic diversity in the neighbourhood, but it is particularly the creative enterprises that substantially profit from the fourth wave of immigration. The European – and mainly German – immigrants increasingly arriving in Switzerland since the beginning of the new century and the ‘Agreement on the Free Movement of Persons’ with the EU are very well trained and generate considerable new revenues, especially for members of the creative class selling products or services for a higher standard of living.

Regarding a closely related phenomenon, many interviewed entrepreneurs benefit from the ongoing urban development and the gentrification processes in the area. New and wealthier clients have a positive impact on the local economy – at least on some industries – confirming a result from a German study that revealed the cultural diversity of highly skilled labour is especially important for innovation and economic performance (see Niebuhr, 2006).

Therefore, the businesses surveyed are generally doing well: two thirds of the interviewees are very or rather satisfied with the economic performance of their enterprise. However, there are still quite a number of entrepreneurs, especially in the retail and service industry, who are struggling to survive. The most often quoted problems include the steadily rising market for online shopping and the strong Swiss currency. We could therefore identify two dominant business strategies being frequently applied and clearly contributing towards the companies’ survival: on the one hand, putting a strong focus on the high quality of products and services – e.g., selling handmade niche products or vending organic and fair-trade items – and, on the other hand, laying stress on high customer orientation – e.g., guaranteeing constant accessibility or establishing personal relationships.

Of further importance for the companies’ performance is the entrepreneurs’ social capital. Life partners, family members and friends, for example, are crucial regarding financial support and general assistance in managing the enterprise. Entrepreneurs in the same neighbourhood also predominantly show cooperative behaviour, supporting and helping each other. And finally, the local trade associations and professional organisations support entrepreneurs through the possibilities of generating a larger business network, acquiring new clients, having a larger voice and being more present in the neighbourhood.

However, it seems that immigrant entrepreneurs possess less institutional support. A substantial part of these entrepreneurs – especially from non-EU countries – are not members of any
supportive business association, since they obviously do not know about these organisations. Furthermore, the empirical evidence indicates that social networks are not more important for immigrant entrepreneurs than for Swiss nationals and that only a few are strongly involved in their ethnic community. In the literature, it is commonly acknowledged that high involvement in an ethnic community may be both ‘developmental and destructive’ (Woolcock, 1998: 186). Finally, there are some entrepreneurs – mainly from non-EU countries – who founded their company in order to escape from low-quality jobs. This finding is in accordance with the disadvantage theory postulating the hypothesis that becoming an entrepreneur is a survival strategy, particularly when minorities encounter barriers that deny advancement in the formal labour market (Fischer and Massey, 2000; Hackler and Mayer, 2008).

6.2 URBAN DIVERSITY: ASSET OR LIABILITY?

Can urban diversity be called an asset or a liability for inhabitants and local entrepreneurs? Are there clear advantages for those who live within it? How does urban diversity ultimately affect social cohesion, social mobility and economic performance?

First of all, we need to distinguish between the people’s perceptions of urban diversity and its implications on the one hand, and the real impact of diversity on the other. It seems that there are clear and substantial differences between the two.

According to our empirical evidence, ethnic and cultural diversity are overwhelmingly perceived as something very positive. The public administration at all state levels regards immigration as clearly beneficial – mainly in economic terms, despite the aforementioned ideological differences between the city and higher state levels. The inhabitants refer to the intense diversification of their neighbourhood as something very positive since it keeps life interesting and helps to broaden their minds. And a majority of the entrepreneurs also stated that they like the multicultural environment and their often mixed clientele.

However, the real impact of ethnic and cultural diversity on social cohesion, social mobility and economic performance in the neighbourhoods under scrutiny has remained limited.

Regarding the potential impact on social cohesion, the evidence now shows that living or working in the same neighbourhood and using the same public space do not necessarily lead to more contact with other people or other groups of people. Independent of respondents’ cultural background, socio-demographic and socio-economic characteristics, we could not find any evidence that the diversity of the residential area is important for their personal network. Respondents’ strong ties mostly include people of the same social class or socio-economic background. If they found friends in the neighbourhood, it mainly involved people with a similar background, similar interests or a similar life situation. Generally, the respondents’ ties in the neighbourhood are predominantly weak.
With respect to social mobility, we also see a minor influence of ethnic and cultural diversity. To enhance social mobility, a good professional network and, to a lesser extent, a good personal network turned out to be crucial factors. However, people living in the neighbourhood only play a marginal role for the social mobility of respondents. There are no elements related to diversity in the neighbourhood, which directly foster social mobility.

The impact of immigration on the economic performance of the surveyed businesses is definitely strong. The cause of this positive development, however, is not urban diversity per se, but the immigration of well-qualified labour from neighbouring countries, mainly from Germany. As many entrepreneurs mentioned the favourable impact of the recent wave of immigration and the related ongoing urban development in the area, it is obviously the cultural diversity of highly skilled labour that is crucial for the economic performance in our case study area.

As it now seems, the broad ethnic and cultural diversity in our case study area mainly serves as a consumer good and as a nice backdrop for everyday life. Neighbourhood diversity does not have a significant positive impact on the social cohesion, social mobility and economic performance in the area. On the other hand, we could not find evidence that inhabitants of hyper-diverse areas suffer from living in such an area. Many of them actively chose to live there and are currently satisfied with their housing situation. There is no evidence that living in these neighbourhoods hinders the inhabitants from capturing certain career opportunities or from building personal networks.

This observed weak correlation between neighbourhood diversity and the strength of social ties may be seen as a substantial argument against state interventions promoting desegregation and greater social mixing. And it could reinforce other study results pointing to the fact that policies prompting social mixing rarely meet policy expectations and may even lead to exclusionary processes within the housing market (see Bolt et al., 2010).

However, the fact that people from different ethnic and socio-economic backgrounds use the same public space and live peacefully side by side most of the time should definitely not be discounted. And even though most respondents only have weak ties in the neighbourhood, they can profit from getting in contact with people with other backgrounds, views and ways of life. These everyday encounters with diverse people, e.g., in the hallway, at children’s playgrounds or in shops, can promote intercultural learning and tolerance. The findings therefore support the contact theory, which assumes that ethnic diversity has a positive effect on intergroup relationships due to the continuous intercultural contact that initiates a learning process correcting negative views on other ethnic groups and reducing prejudices (Allport, 1954; Pettigrew, 1998).

In any case, it is important to mention that in the City of Zurich, we do not see separated immigrant enclaves or a strong ethnic residential concentration – social and ethnic segregation
are is particularly high. Furthermore, our case study area cannot be considered a deprived area in comparison with other DIVERCITIES case study areas. The results should therefore be applied in other contexts with caution.

For further research, it would surely be rewarding to look at the metropolitan area of Zurich as a whole. Here, we see significant social disparities between the core city, the poorer suburbs and the more distant low-density suburbs (Küblier and Scheuss, 2005). And the ongoing processes of the state-led gentrification in the City of Zurich – for instance, the current developments in the neighbourhood of the Langstrasse – may additionally fuel this polarisation. When higher rents in the city force poorer people to move to the suburbs, the social and ethnic segregation within the metropolitan area may increase, along with the socio-economic inequalities.

6.3 POLICY RECOMMENDATIONS: HOW TO USE THE RESULTS?

Based on the key findings of this research project, we now formulate policy recommendations for policy makers and other stakeholders who deal with diversity and diverse urban areas. These recommendations are structured according to the different policy addressees investigated and shall be helpful for enhancing social cohesion, social mobility and economic performance in our case study area and beyond.

Recommendations focusing on NGOs and smaller initiatives

- NGOs and smaller local initiatives play a key role in the social cohesion of our neighbourhoods and are essential in complementing existing policy instruments. Their work should be appropriately valued and supported.
- It is crucial not to overregulate these local initiatives so they can keep their flexibility in order to meet shifting needs of the community and newly emerging problems and challenges. Regular communication with public authorities should be ensured, and some sort of exchange platform between the different initiatives could be established to allow for mutual information and support.
- Instead of the one-sided concept of ‘integration’ that is used by Swiss public authorities, the investigated initiatives often use terms such as ‘interculturalism’ and ‘inclusion’. The representatives of the initiatives argue that immigrants should be met on an equal footing and emphasis should be placed on spaces of encounter and interaction. Key officers in the public administration could foster greater self-reflection in this regard.
- The pursued objective of the city administration of ‘promoting a culture of positive welcome’ (City of Zurich, 2009: 8) is certainly an important step regarding the social integration of immigrants. The development of a ‘welcome culture’ and of approaching immigrants on equal terms could be expanded at all state levels.
- The initiatives often implement comprehensive, integrated and participative approaches, and they target the participants as a whole, providing tailor-made solutions and case-specific
instruments. However, due to their comprehensive concepts, the initiatives may not be clearly assigned to a certain administrative unit for public subsidies. They are located at the interface of, for instance, integration policy, community work, socio-culture, culture and sports, which hinders an effective public steering and an appropriate and consistent public funding. The authorities may support the initiatives by establishing closer coordination, a sort of intermediary, between the administrative units concerned.

- Furthermore, in today’s dense and defined cities, open and undefined spaces and wasteland are of crucial importance to foster creativity, innovation and productivity. It is therefore necessary to provide spaces with low-threshold access and low rents, where people may temporarily and flexibly experiment with new ideas or explore new forms of cooperation. Such places make an important contribution to the urban diversity and the productive and creative entrepreneurship in a city.

**Recommendations focusing on the inhabitants**

- It is important that a sufficient amount of affordable housing is provided in the city in order to sustain the diversity in the neighbourhood. The City of Zurich already takes a leading role in supporting social and cooperative housing. Non-profit apartments already account for 25% of all rental housing, and the city aims at increasing the percentage to one third until 2050. It is important that policy makers continue the approach already taken and strengthen social and cooperative housing in the City of Zurich.

- As the perceptions and practices of the inhabitants showed, a hyper-diverse neighbourhood itself does not necessarily lead to more intergroup contacts. It is therefore crucial to provide spaces of encounter where people can come together. Policy makers should furthermore strengthen the community centres and the activities they offer, as they seem to have an important function in supporting especially migrants, families and older people and bringing different people together. When the city is involved in the planning of new (public) housing projects, they should support the idea of common rooms where residents can meet and do activities together.

- Policy makers should provide green spaces for everyone in walking distance and ensure that they are accessible for all groups of people. Even though encounters do not necessarily lead to close contact, such spaces where diversity becomes visible are important for friendly, everyday interactions. These places facilitate living side by side in a relaxed atmosphere.

- Schools in hyper-diverse areas bring together various groups and particularly have a potential to foster intergroup contact and intercultural learning. However, as the inhabitants’ perceptions and practices showed, they also include a potential for conflict. Inhabitants are concerned about the effects of schools in which only a minority of pupils have a Swiss background and speak German. It is important to pay attention to the situation in such schools and keep an eye on how children deal with and are affected by diversity. Existing programmes supporting highly diversified schools, such as the school improvement project ‘Quality in Multicultural Schools’ (QUIMS) carried out by the Canton of Zurich, should be continued and strengthened.
Recommendations focussing on the entrepreneurs

- Small shops and enterprises are of high significance to the diversity and liveliness of a neighbourhood, and as such, they are also an important location factor of the city. Furthermore, they enhance social mobility and push societal integration. A defining characteristic of Zurich’s economy is the sizable number of small businesses: around 88% of the city’s workplaces have less than 10 full-time employees (Statistics Office of the City of Zurich, 2013). Therefore, the contribution of these small companies towards the city’s economic performance and towards urban diversity should be valued and sustained.

- To reasonably support these businesses, the current efforts by the City and the Canton of Zurich of offering micro-credits and counselling for start-up companies should be continued and put on a firm foundation. Furthermore, as these small businesses often have little financial resources and flexibility, a useful form of state assistance could imply financial discharges for the training of apprentices.

- The points of contact between the public administration and the local business world are mainly concentrated on conventional structures – such as the local trade associations. However, our results show that these organisations are still dominated by quite traditional businesses and Swiss – or rather, German-speaking – entrepreneurs. Several business people – creative workers, young people and some immigrant entrepreneurs – thus consider the trade associations as being rather conservative and conventional and therefore not of great use for their business activity. They are subsequently organised in loose networks and communicate and support each other in a more dynamic, open, flexible and non-binding manner. However, such patterns of cooperation are not of any significance when it comes to voicing their concerns in negotiations with the public authorities. Here, the city administration could make an effort to reach out to such business networks and integrate them in participatory processes in order to achieve a better representation of the diverse local business world.

- Immigrant entrepreneurs play an important role in societal integration by acting as intermediaries between the native residents and the immigrants. In this role, they may also facilitate the process of entering the labour force for adolescents from their ethnic community. Furthermore, immigrant entrepreneurs often keep businesses running that would otherwise disappear, such as shoemaker’s workshops, butcher shops or tobacco stores. The presence of ethnic businesses should therefore be valued and supported by the government.

- Language barriers still represent a crucial obstacle in making entrepreneurial progress – especially for immigrant entrepreneurs from non-EU countries. For instance, many of these entrepreneurs in the sample have never heard of the local trade associations before – despite some efforts by these organisations to involve more immigrants. It is therefore necessary to improve the access to information and potential support schemes.
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Federal Act on the Stay and the Admission of Foreign Nationals (ANAG) of March 26, 1931.
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Regulation on the Integration of Foreign Nationals (VIntA) of October 24, 2007.
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Zurich, August 1999.


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APPENDIX

APPENDIX 1: LIST OF THE INTERVIEWED PERSONS IN THE PUBLIC ADMINISTRATION, NON-GOVERNMENTAL ORGANISATIONS AND LOCAL INITIATIVES

City of Zurich

- Mirjam Schlup Villaverde, Director Social Services, Social Services Department of the City of Zurich
- Anna Schindler, Director Urban Development, Mayor’s Department of the City of Zurich
- Christof Meier, Head Promotion of Integration, Urban Development, Mayor’s Department of the City of Zurich
- Esther Diethelm, Professional at the Social Services Department of the City of Zurich

Canton of Zurich

- Julia Morais, Head Cantonal Integration Office, Department of Justice and Home Affairs of the Canton of Zurich
- Lukas Guyer, Head Finance and Controlling, General Secretariat, Department of Education of the Canton of Zurich
- Markus Truniger, Head Unit of Intercultural Pedagogics, Office of Elementary Education, Department of Education of the Canton of Zurich, Project Director ‘Quality in Multicultural Schools (QUIMS)’

Non-governmental organisations and bottom-up initiatives

- Francesco Genova, Co-President, Foreigners’ Council of the City of Zurich
- Antoinette Killias, Head National Division, Swiss Interchurch Aid HEKS
- Mylène Nicklaus, Head Zurich Division, Swiss Interchurch Aid HEKS
- Hans Fröhlich, Head Zurich Division, Swiss Worker’s Aid (SAH)
- Mahmoud El Guindi, President of the Union of Islamic Societies in Zurich (VIOZ)
- Lisa Gerig, Founder, ‘Intergalactic Choir’
- Flavia Rüegg, Founder, ‘Intergalactic Choir’
- Ruedi Winkler, Association President, ‘Complino Time Exchange Factory’
- Bea Barth Stähli, Coordinator, ‘Parents Learn German in School (ELDIS)’
- Purificacion Alonso, Coordinator, ‘Parents Learn German in School (ELDIS)’
- Talila Oliel, Person responsible for the QUIMS Programme, Primary School Hardau
- Roxana Paz, Executive Director, ‘Platform Networking for Jobs’
- Monika Dohner, Coordinator, ‘Neighbourly Help District 9’
• Pascal Pauli, National Head, ‘Laureus Street Soccer’
• Marc Angst, NRS-Team GmbH, ‘Base Camp’
• Nikolaus Güttinger, Association President, ‘Brauergarten’
• Claudia Flütsch, Executive Director and Co-Founder, ‘MAXIM Theatre’

8.2 APPENDIX 2: LIST OF THE PARTICIPANTS OF THE ROUND-TABLE TALK OF LOCAL INITIATIVES

Date: June 16, 2014
Place: synergo GmbH, Zurich
• Bea Barth Stähli, Coordinator, ‘Parents Learn German in School (ELDIS)’
• Purificacion Alonso, Coordinator, ‘Parents Learn German in School (ELDIS)’
• Roxana Paz, Executive Director, ‘Platform Networking for Jobs’
• Silvana Lindt, Project Manager, ‘Platform Networking for Jobs’
• Monika Dohner, Coordinator, ‘Neighbourly Help District 9’
• Viji Kanakasingam, ‘Laureus Street Soccer’
• Claudia Flütsch, Executive Director and Co-Founder, ‘MAXIM Theatre’

8.3 APPENDIX 3: LIST OF THE INTERVIEWED RESIDENTS

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Age group</th>
<th>Gender</th>
<th>Position in household</th>
<th>Income group</th>
<th>Origin</th>
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</thead>
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<tr>
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<td>31-45</td>
<td>F</td>
<td>Couple household</td>
<td>Middle-low</td>
<td>Spanish</td>
</tr>
<tr>
<td>R2</td>
<td>&gt;75</td>
<td>M</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R3</td>
<td>31-45</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R4</td>
<td>18-30</td>
<td>M</td>
<td>Single household</td>
<td>Low</td>
<td>Iranian</td>
</tr>
<tr>
<td>R5</td>
<td>31-45</td>
<td>M</td>
<td>Father in two-parent household with two children</td>
<td>Middle-high</td>
<td>German/American</td>
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<tr>
<td>R6</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with two children</td>
<td>High</td>
<td>Swiss</td>
</tr>
<tr>
<td>R7</td>
<td>31-45</td>
<td>M</td>
<td>Couple household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R8</td>
<td>31-45</td>
<td>F</td>
<td>Single in shared flat with one roommate</td>
<td>Middle-low</td>
<td>German</td>
</tr>
<tr>
<td>R9</td>
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<td>F</td>
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<td>High</td>
<td>German</td>
</tr>
<tr>
<td>R10</td>
<td>61-75</td>
<td>F</td>
<td>Single household</td>
<td>Low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R11</td>
<td>31-45</td>
<td>F</td>
<td>Single in shared flat with one roommate</td>
<td>Low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R12</td>
<td>61-75</td>
<td>F</td>
<td>Grandmother in three-generation household with two parents and two children</td>
<td>Middle-low</td>
<td>Somali</td>
</tr>
<tr>
<td>R13</td>
<td>46-60</td>
<td>F</td>
<td>Couple household</td>
<td>Middle-low</td>
<td>Austrian</td>
</tr>
<tr>
<td>R14</td>
<td>18-30</td>
<td>F</td>
<td>Single in shared flat with one roommate</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R15</td>
<td>18-30</td>
<td>M</td>
<td>Single in shared flat with one roommate</td>
<td>Middle-high</td>
<td>Swiss</td>
</tr>
<tr>
<td>R16</td>
<td>46-60</td>
<td>F</td>
<td>Mother in two-parent household with two children</td>
<td>Middle-high</td>
<td>Swiss</td>
</tr>
<tr>
<td>Interviewee</td>
<td>Age group</td>
<td>Gender</td>
<td>Position in household</td>
<td>Income group</td>
<td>Origin</td>
</tr>
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<td>-----------</td>
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<td>---------------------------------------------</td>
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<td>-------------------------</td>
</tr>
<tr>
<td>R17</td>
<td>46-60</td>
<td>M</td>
<td>Father in two-parent household with two children</td>
<td>Middle-high</td>
<td>Serbian</td>
</tr>
<tr>
<td>R18</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with two children</td>
<td>Middle-high</td>
<td>Belarusian</td>
</tr>
<tr>
<td>R19</td>
<td>31-45</td>
<td>F</td>
<td>Single in shared flat with one roommate</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R20</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with two children</td>
<td>High</td>
<td>Swiss</td>
</tr>
<tr>
<td>R21</td>
<td>61-75</td>
<td>M</td>
<td>Couple household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R22</td>
<td>&gt;75</td>
<td>M</td>
<td>Father in single-parent household with two grown-up children</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R23</td>
<td>18-30</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R24</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with one child</td>
<td>Middle-high</td>
<td>Indian</td>
</tr>
<tr>
<td>R25</td>
<td>31-45</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R26</td>
<td>46-60</td>
<td>F</td>
<td>Mother in two-parent household with two children</td>
<td>Middle-high</td>
<td>Spanish (second-generation)</td>
</tr>
<tr>
<td>R27</td>
<td>&gt;75</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R28</td>
<td>31-45</td>
<td>M</td>
<td>Father in two-parent household with three children</td>
<td>n/a</td>
<td>German</td>
</tr>
<tr>
<td>R29</td>
<td>61-75</td>
<td>M</td>
<td>Couple household</td>
<td>Middle-high</td>
<td>Swiss</td>
</tr>
<tr>
<td>R30</td>
<td>46-60</td>
<td>F</td>
<td>Mother in single-parent household with three grown-up children</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R31</td>
<td>&gt;75</td>
<td>F</td>
<td>Single household</td>
<td>n/a</td>
<td>Swiss</td>
</tr>
<tr>
<td>R32</td>
<td>46-60</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R33</td>
<td>46-60</td>
<td>F</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R34</td>
<td>61-75</td>
<td>M</td>
<td>Single household</td>
<td>Low</td>
<td>Italian (second-generation)</td>
</tr>
<tr>
<td>R35</td>
<td>46-60</td>
<td>F</td>
<td>Mother in single-parent household with one grown-up child</td>
<td>Middle-low</td>
<td>Italian</td>
</tr>
<tr>
<td>R36</td>
<td>61-75</td>
<td>M</td>
<td>Couple household</td>
<td>n/a</td>
<td>Italian (second-generation)</td>
</tr>
<tr>
<td>R37</td>
<td>61-75</td>
<td>F</td>
<td>Couple household</td>
<td>Middle-low</td>
<td>Spanish</td>
</tr>
<tr>
<td>R38</td>
<td>46-60</td>
<td>M</td>
<td>Single household</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R39</td>
<td>31-45</td>
<td>M</td>
<td>Father in two-parent household with two children</td>
<td>Middle-high</td>
<td>Czech (second-generation)</td>
</tr>
<tr>
<td>R40</td>
<td>61-75</td>
<td>F</td>
<td>Single household</td>
<td>Low</td>
<td>Italian</td>
</tr>
<tr>
<td>R41</td>
<td>61-75</td>
<td>M</td>
<td>Couple household</td>
<td>Low</td>
<td>Italian</td>
</tr>
<tr>
<td>R42</td>
<td>46-60</td>
<td>F</td>
<td>Mother in two-parent household with one child</td>
<td>n/a</td>
<td>Swiss</td>
</tr>
<tr>
<td>R43</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with three children</td>
<td>Middle-low</td>
<td>Turkish</td>
</tr>
<tr>
<td>R44</td>
<td>61-75</td>
<td>M</td>
<td>Single household</td>
<td>Low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R45</td>
<td>31-45</td>
<td>M</td>
<td>Single in shared flat with two roommates</td>
<td>Middle-low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R46</td>
<td>31-45</td>
<td>F</td>
<td>Mother in two-parent household with one child</td>
<td>Low</td>
<td>Eritrean</td>
</tr>
<tr>
<td>R47</td>
<td>46-60</td>
<td>F</td>
<td>Mother in two-parent household with three children</td>
<td>Middle-low</td>
<td>Croatian</td>
</tr>
<tr>
<td>R48</td>
<td>18-30</td>
<td>F</td>
<td>Single in shared flat with one roommate</td>
<td>Low</td>
<td>Swiss</td>
</tr>
<tr>
<td>R49</td>
<td>46-60</td>
<td>F</td>
<td>Mother in single-parent household with two children</td>
<td>Middle-low</td>
<td>Italian (second-generation)</td>
</tr>
</tbody>
</table>
## 8.4 APPENDIX 4: LIST OF THE INTERVIEWED ENTREPRENEURS

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Age</th>
<th>Gender</th>
<th>Type of enterprise (type, industry)</th>
<th>Type of entrepreneur (citizenship, ethnic background)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1</td>
<td>45</td>
<td>M</td>
<td>Printing plant (manufacturing industry)</td>
<td>Swiss/Italian, second-generation migrant</td>
</tr>
<tr>
<td>E2</td>
<td>59</td>
<td>M</td>
<td>Restaurant (service industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E3</td>
<td>46</td>
<td>M</td>
<td>Bakery (manufacturing industry, family business)</td>
<td>Turkish, migrant first/second wave</td>
</tr>
<tr>
<td>E4</td>
<td>53</td>
<td>F</td>
<td>Hairdressing salon (service industry)</td>
<td>Swiss/Italian, migrant first/second wave</td>
</tr>
<tr>
<td>E5</td>
<td>58</td>
<td>M</td>
<td>Tobacco shop (retail industry)</td>
<td>Iranian, migrant other countries</td>
</tr>
<tr>
<td>E6</td>
<td>38</td>
<td>M</td>
<td>Advertising agency (service industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E7</td>
<td>49</td>
<td>M</td>
<td>Advertising agency (service industry, creative economy)</td>
<td>Swiss/Dutch, migrant other countries</td>
</tr>
<tr>
<td>E8</td>
<td>45</td>
<td>F</td>
<td>Hairdressing salon (service industry)</td>
<td>Burkina Faso, migrant other countries</td>
</tr>
<tr>
<td>E9</td>
<td>36</td>
<td>F</td>
<td>Goldsmith (manufacturing industry, family business, creative economy)</td>
<td>German, migrant fourth wave</td>
</tr>
<tr>
<td>E10</td>
<td>38</td>
<td>M</td>
<td>Hairdressing salon (service industry)</td>
<td>Swiss/Bosnian, second-generation migrant</td>
</tr>
<tr>
<td>E11</td>
<td>58</td>
<td>M</td>
<td>Bicycle repair shop (retail industry, family business)</td>
<td>Italian, migrant first/second wave</td>
</tr>
<tr>
<td>E12</td>
<td>42</td>
<td>M</td>
<td>Bicycle repair shop (retail industry, creative economy)</td>
<td>Swiss/Croatian, second-generation migrant</td>
</tr>
<tr>
<td>E13</td>
<td>56</td>
<td>M</td>
<td>Shoe shop (retail industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E14</td>
<td>34</td>
<td>F</td>
<td>Urban agriculture shop (retail industry, creative economy)</td>
<td>Austrian, migrant fourth wave</td>
</tr>
<tr>
<td>E15</td>
<td>47</td>
<td>F</td>
<td>Store for design (retail industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E16</td>
<td>32</td>
<td>M</td>
<td>Carpenter's workshop (manufacturing industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E17</td>
<td>63</td>
<td>M</td>
<td>Bookshop (retail industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E18</td>
<td>58</td>
<td>F</td>
<td>Cosmetics studio (service industry)</td>
<td>German, migrant fourth wave</td>
</tr>
<tr>
<td>E19</td>
<td>46</td>
<td>M</td>
<td>Sports shop (retail industry, family business)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E20</td>
<td>37</td>
<td>M</td>
<td>Painting company (manufacturing industry, family business)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E21</td>
<td>51</td>
<td>M</td>
<td>Optician shop (retail industry, family business)</td>
<td>Italian, second-generation migrant</td>
</tr>
<tr>
<td>E22</td>
<td>52</td>
<td>M</td>
<td>Tailor shop (manufacturing industry, family business)</td>
<td>Swiss/Italian, second-generation migrant</td>
</tr>
<tr>
<td>E23</td>
<td>32</td>
<td>F</td>
<td>Interior design shop (retail industry, creative economy)</td>
<td>Swiss/Turkish, second-generation migrant</td>
</tr>
<tr>
<td>E24</td>
<td>53</td>
<td>F</td>
<td>Nail spa (service industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E25</td>
<td>33</td>
<td>M</td>
<td>Garage (retail industry, family business)</td>
<td>Swiss/Turkish, second-generation migrant</td>
</tr>
<tr>
<td>E26</td>
<td>55</td>
<td>F</td>
<td>Dance school (service industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E27</td>
<td>35</td>
<td>F</td>
<td>Nursery (service industry)</td>
<td>German, migrant fourth wave</td>
</tr>
<tr>
<td>Interviewee</td>
<td>Age</td>
<td>Gender</td>
<td>Type of enterprise (type, industry)</td>
<td>Type of entrepreneur (citizenship, ethnic background)</td>
</tr>
<tr>
<td>-------------</td>
<td>-----</td>
<td>--------</td>
<td>----------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>E28</td>
<td>55</td>
<td>F</td>
<td>Hairdressing salon (service industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E29</td>
<td>53</td>
<td>M</td>
<td>Driving school (service industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E30</td>
<td>53</td>
<td>M</td>
<td>Carpenter's workshop (manufacturing industry, family business)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E31</td>
<td>50</td>
<td>M</td>
<td>Photo retail store (retail industry, family business)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E32</td>
<td>40</td>
<td>M</td>
<td>Brewery (manufacturing industry)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E33</td>
<td>56</td>
<td>M</td>
<td>Interior decoration shop (retail industry, family business)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E34</td>
<td>53</td>
<td>M</td>
<td>Business consultancy (service industry)</td>
<td>Swiss/Czech, migrant fourth wave</td>
</tr>
<tr>
<td>E35</td>
<td>37</td>
<td>M</td>
<td>Music club (service industry, creative economy)</td>
<td>Swiss, native-born</td>
</tr>
<tr>
<td>E36</td>
<td>43</td>
<td>M</td>
<td>Spanish tapas bar (service industry, family Spanish, migrant first/second wave business)</td>
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</tr>
<tr>
<td>E37</td>
<td>27</td>
<td>M</td>
<td>Coffeehouse (service industry)</td>
<td>New Zealand, migrant other countries</td>
</tr>
<tr>
<td>E38</td>
<td>52</td>
<td>M</td>
<td>Indian and Tamil takeaway restaurant (service industry)</td>
<td>Sri Lankan, migrant other countries</td>
</tr>
</tbody>
</table>

8.5 APPENDIX 5: LIST OF THE MEMBERS OF THE ‘POLICY PLATFORM’

City of Zurich
• Anna Schindler, Director Urban Development, Mayor’s Department of the City of Zurich
• Christof Meier, Head Promotion of Integration, Urban Development, Mayor’s Department of the City of Zurich
• Marianne Bickel, Co-Head Public Community Work, Social Services Department of the City of Zurich

Canton of Zurich
• Julia Morais, Head Cantonal Integration Office, Department of Justice and Home Affairs of the Canton of Zurich
• Lukas Guyer, Head Finance and Controlling, General Secretariat, Department of Education of the Canton of Zurich

Non-governmental organisations
• Francesco Genova, Co-President, Foreigners’ Council of the City of Zurich
• Antoinette Killias, Head National Division, Swiss Interchurch Aid HEKS
• Hans Fröhlich, Head Zurich Division, Swiss Worker’s Aid (SAH)
• Mahmoud El Guindi, President, Union of Islamic Societies in Zurich (VIOZ)

Research
• Gabriela Muri, Lecturer, Department of Architecture, Swiss Federal Institute of Technology in Zurich (ETHZ), and School of Social Work, Zurich University of Applied Sciences (ZHAW)
NOTES


2 Source: Google, author’s elaboration.

3 Social housing includes housing owned by the public, i.e. the City of Zurich, a cooperative, or a public or private foundation.

4 Source: Anna Babel, synergo.

5 Source: Anna Babel, synergo.

6 Source: Anna Babel, synergo.

7 Source: Anna Babel, synergo.

8 Own illustration; source: City of Zurich, Statistical Yearbook, 2015.

9 The numbers for Switzerland are from the year 2013.


11 Source: City of Zurich, Statistical Yearbook, 2015.

12 Source: City of Zurich, Statistical Yearbook, 2015.

13 Own illustration; source: City of Zurich, Statistical Yearbook, 2015.

14 The numbers for Switzerland are from 2013.


16 Source: City of Zurich, Statistical Yearbook, 2015.

17 Source: City of Zurich, Statistical Yearbook, 2015.

18 Own illustration; source: City of Zurich, Statistical Yearbook, 2015.


20 Source: City of Zurich, Statistical Yearbook, 2015.

21 Source: City of Zurich, Statistical Yearbook, 2015.


27 Source: City of Zurich, Zurich – Switzerland’s economic metropolis, 2012b.

28 A list of the interviewees and the participants of the round-table talk are provided in the appendices 1 and 2.
In Switzerland, there is a clear formal separation between the policy on foreigners and the policy on refugees. Integration policy only addresses foreigners who do not ask for political asylum, so all legal sources, policies or strategies regarding the policy field on refugees are not part of this chapter. However, since the creation of the Federal Office for Migration in 2005, both policy fields are united in the same office.

Regulation on the Integration of Foreign Nationals (VIntA) of September 13, 2000.

Federal Act on Foreign Nationals (Foreign Nationals Act, FNA) of December 16, 2005.

Regulation on the Integration of Foreign Nationals (VIntA) of October 24, 2007.

Regulation on Integration of September 20, 2006.


Switzerland is established as a secular state and therefore does not maintain institutional relations with individual religious communities. It is the responsibility of the cantons to regulate the relations between state and religions. Thereby, the relationship between church and state takes the form of recognition of religious communities as corporations under public law, known as state churches (Migraweb, 2014). The Catholic and Protestant churches are widely recognised, and some cantons also give the Jewish community a public law status. However, the Muslim religious community is not legally recognised in any canton of Switzerland.

Source: MAXIM Theatre, photographer: Anna Janson.

A list of the interviewed residents in Appendix 3 summarises the most important descriptive information.

We use the term ‘second-generation migrant’ for people whose parents migrated to Switzerland but who were born in Switzerland themselves. This definition is not related to the citizenship of these people.

Social housing includes housing owned by the public, i.e. the City of Zurich, a cooperative, or a public or private foundation.

Source: Google, author’s elaboration.

Kalkbreite is a cooperative, mixed-use project at District 4. Inhabitants of the area wanted to create a strong community that is dedicated to an eco-friendly lifestyle. Kalkbreite now offers a mixture of flats and community spaces, offices, commercial space and open public space. The affordable rents allow socially disadvantaged groups to live and work along with their economically stronger neighbours. Kalkbreite opened its doors in 2014, with now roughly 500 people living and working there.

Asylum seekers are prohibited to work during the first three (sometimes six) months after applying for asylum. People with a right to stay in Switzerland – this includes refugees and temporarily admitted people – are allowed to take up a job (SEM, 2015).

A list of the interviewed entrepreneurs in appendix 4 summarises the most important descriptive information of the entrepreneurs and their businesses.

We use the term ‘second-generation migrant’ for persons whose parents migrated to Switzerland but who were born in Switzerland. This definition is not related to the citizenship of these persons.

We will investigate this matter in more detail in chapter 5.5.2.

These instruments are described in more detail in chapter 5.6.

The Lochergut is a large-scale and well-known high-rise building in District 4.

We will investigate this matter in more detail in chapter 5.5.2.
51 As most interviewees were rather reluctant to give us concrete sales and turnover figures, we do not mention any numbers since they possess only little validity.
52 These two strategies have already been addressed in chapter 5.3.2, when discussing the main products of the enterprises and what distinguishes them from other businesses.
53 When discussing the diversity among the customers, we do not include the five companies that serve only corporate clients.
54 We already presented the impact of this current wave of immigration in chapter 5.4.2 on the importance of diversity on entrepreneurial activities.
55 In chapter 5.6.2, we will discuss these local trade associations and their contribution to the performance of the businesses surveyed in more detail.
56 For more information, see chapter 5.4.
57 See the following website: http://www.kreislauf4und5.ch/en/index.html.
58 A list with the members of the 'policy platform' is provided in appendix 5.
59 For the definition of the category 'income group' see chapter 4.2.2.
This book is one of the outcomes of the DIVERCITIES project. It focuses on the question of how to create social cohesion, social mobility and economic performance in today’s hyper-diversified cities. The project’s central hypothesis is that urban diversity is an asset; it can inspire creativity, innovation and make cities more liveable.