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Entrepreneurship in a border context



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Entrepreneurship in a border context.

To what extent entrepreneurship can be a key element of the city marketing strategies of Vienna and Bratislava metropolitan region and managed in this border context.

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Regional Sciences

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During my bachelor studies it was at the second year when I first became familiar with economic geography and spatial and urban economics. I was already sure that this will be the field that I want to continue with in the rest of my academic and professional life and in that direction I choose the Research Master in Regional Studies for my specialization. While I was studying for my exams the book 'Urban and Regional Economics' by Philip McCann I could not even imagined that I will have the chance to meet the person that inspired me and more, work with him during my master thesis.

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Abstract

Recent academic work has investigated a series of advantages that a city can gain through the implementation of city marketing strategies in order to compete in the globalized current economic environment. Furthermore, these advantages are enriched from cross-border cooperation at several levels such as the economic, touristic, educational, environmental and cultural one. This thesis shed light on the importance of the implementation of city marketing strategies with a focus on the target group of entrepreneurs and investors in a cross-border context. In particular, the focus of the thesis is on the cross-border cooperation at the entrepreneurial level at the metropolitan region of the cities Vienna and Bratislava. To examine this, the current study employs qualitative research methodology connected with a case-study approach by interviewing related stakeholders in companion with analysis of official documents and other sources of information. It is found that entrepreneurship is not, until now, a field that can stimulate cross-border cooperation among the two cities due to several reasons. The most important reason is the matter of scale and size which indicates the differences between the two cities in capabilities, power, budget and needs and as a result the re-definition of more appropriate partners-competitors for each of the two cities being studied.

Keywords: competition, city marketing strategies, entrepreneurship, collaboration, Vienna, Bratislava.

1. INTRODUCTION

1.1 Background and Motivation

In February 2014 the results of the survey Quality of living City rankings from MERCER (2014), indicated the top 5 cities in the world with the best quality of life, another survey in 2013 from FASTCOEXIST indicated the 10 smartest European capital cities (Cohen, 2013). The Global Entrepreneurship Monitor provides annual reports of the state of entrepreneurship in the countries (GEM, 2014) and every year tourist operators suggest the X best places that someone “must” visit. All these are facts that lead us to think that indeed there is competition among cities.

The contemporary discourse over cities being in competition with each other has led city governments to undertake strategic measures in order to improve or maintain their city’s competitive position (Brenner, 2004; Paddison, 1993). The changing role of cities, the globalization of the economy, the reduced impact of borders and trade restrictions, the de-industrialization and the shift to a knowledge economy all contributes to a more or less perceived state of inter-urban competition (Cuadrado-Roura & Rubalcaba-Bermejo, 1998; Jessop, 1998; Thornley & Newman, 1996; Boyle & Hughes, 1994). A reaction to inter-urban competition where different cities are competing for the attention of the globalizing economy is the entrepreneurial city (Leitner & Sheppard 1998; Short & Kim, 1998; Hubbard 1996).

Especially in Europe where integration goes on and mobility grows, territorial competition gains in importance (McNeill, 2004; Jenssen & Richardsson, 2003). As a matter of fact, a lot of European regions try to compete with each other in the fear of being wiped off the map. Notably large urban areas compete to attract and keep inhabitants, companies and visitors (Kotler et al., 1993). Therefore, more and more urban areas in Europe try to create a positive reputation for themselves. To raise their attractiveness, they reflect on what sort of profile they want to have and develop strategies in the field of city marketing (Kotler et al., 1993).

City marketing derives from the concept of the entrepreneurial city (Kirby & Kent, 2010) and relies on the shift from a “managed” economy to an “entrepreneurial” economy which is characterized by entrepreneurial governance, management, promotion, profit motivation and strong human and intellectual capital (László et al., 2013). This regards a *neoliberal shift in public management which is parallel to the building of coalitions among public and private actors which are believed to maximize efficiency in the development process* (Harvey, 1989).

In this framework, city marketing is regarded *a marketing-led strategy of economic development* (Greenberg, 2008), which translates business techniques and concepts into tools for public management. Therefore the link between inter-urban competition, entrepreneurial cities and city marketing measurements has provided the basis for a number of theories on the content and implementation of city marketing strategies as part of urban development and planning.

However, there is the need to identify the suitable scale in which territorial competition spills out. Put simply, competition resides also in the capacity of defining the economically relevant territory in the light of complementarities with other areas, which should not be treated as competitors (Gordon, 2011). In fact, the competitive success of one place is not necessarily at the expense of another and poor performance of one city may negatively impact other cities sharing the same networks (Bristow, 2011). That is, the most effective scale for constructing the competitive advantage may cross the borders of individual units of city government (Cheshire, 1999). Cooperation across administrative borders is, thus, a way to deal with global competition and enhance competitiveness for those places that share networks of services, and businesses. City marketing is able to gather under its “umbrella” major issues of place development.

Having in mind how all these theoretical concepts are combined, emerged the interest to find out a representative case study where the foregoing phenomena (competition → marketing strategies → entrepreneurship → cooperation) are combined and examine to what extent this controversial chain (starting from competition and ending in cooperation) can be implemented in practice. The case study that arises is the border Macro region of Vienna (capital city of Austria) and Bratislava (capital city of Slovakia). Two different cities with unique identities and different images but so close in terms of geographical proximity that allow to people to treat them as a united region.

1.2 Purpose of the study - Research questions

This research focuses on city marketing in the context of two European capital cities Vienna and Bratislava. The cities are situated uniquely on the border of Austria and Slovakia. Thus, they have a long history of transaction between them and especially between their residents. Also, it is very important to define the boundaries of the research. In this case, city marketing

constitutes the basis of the study and the use of place branding techniques and mainly entrepreneurship, to promote the cities, is seen as a special application of city marketing¹.

The main aim of this study is to examine if city marketing strategies can help Vienna and Bratislava to improve their entrepreneurial environment. In other words this study is conducted in order to develop some assumptions over possible strategies for the improvement of the united entrepreneurial environment of these cities and make them interesting as one potential location for investments as well as to highlight the specific points under which entrepreneurship will fit in a joint marketing strategy and will be managed in a border context.

Until now literature has highlighted the city marketing strategies that these two cities employ and of course the benefits that can be gained from city marketing in individual scale. Promoting their images separately Vienna and Bratislava were trying to target the niche of tourists or investors-entrepreneurs. The innovative factor of the present study is that it will provide the principal guidelines under which entrepreneurship can become a useful and vital tool that will bridge the two cities and create a united entrepreneurial environment in an atmosphere of cooperation rather than competition.

The purpose of this study will be fulfilled by answering the following research question:

To what extent entrepreneurship is or could be a key element of the city marketing strategies of the border region Vienna and Bratislava and how entrepreneurship can be managed in such a border context?

In order to answer the main research question mentioned above there is the need to answer progressively the following research sub-questions:

- What should be understood as city marketing and as place branding techniques?
- What are the central key actors of a city in city marketing?
- How can city marketing be managed in a border context?
- How do the cities studied conduct city marketing?
- Which is the current situation of the cities studied in terms of entrepreneurship?
- Which is the current situation of the cities studied in terms of cross-border cooperation?

¹ Recently there is a shift towards branding as the main practice of place marketing (Anholt 2006; Kavaratzis and Ashworth 2005; Hankinson 2004; Trueman et al. 2004; Hauben et al. 2002).

1.3 Structure of the study

The present thesis is composed of seven different parts; the current introductory chapter (1), a literature review chapter (2) listing relevant researches, articles and books about the concept of city marketing or related ones. Chapter two answers the first three research sub-questions. The following chapter (3) gives an overview about general information related to the case-study and the city marketing strategies in the two cities. Chapter three answers the fourth research sub-question and partly the fifth. A methodology chapter (4) disclosing all the standpoints and techniques used to conduct this qualitative case study research, the results chapter (5), where the last three research sub-questions are answered. Finally there is a discussion chapter (6) composed of a critical analysis of our findings and the conclusions chapter (7), where the findings of the research are presented and the main research question is answered.

2. A LITERATURE REVIEW

In this chapter are presented relevant pieces of literature about the theoretical framework behind city marketing, how operates in a border context and what entrepreneurship in city marketing strategies means. Furthermore, there is a trial to show that entrepreneurship is adopted as an objective from city marketing strategies and to define the factors that contribute to a successful plan through a review of marketing strategies in other cities. Three examples are analyzed, Amsterdam in the Netherlands, as the most successful European example and two border regions which have been developed based on fruitful cooperation. Both examples are from Scandinavia, the first is the region of Øresund (Denmark-Sweden) and the second is the region of Tornio-Haparanda (Sweden-Finland). It is decided not to present an example from USA as it as a different school of theory in terms of city marketing and the focus in this study is on the European context.

2.1 Theory

2.1.1 From marketing to city marketing

Kotler and Armstrong (2012) summarize the marketing notion as the action of *meeting needs profitably*. In a more detailed way they define it as *an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders*. Big companies have marketing departments while smaller ones may include at least one representative of the marketing function in their staff or entrust this function to other employees in a less official way. Furthermore the authors suggest that marketing is not limited to physical products and pure businesses but can be extended to services, activities, persons, organizations, ideas and cities (Kotler & Armstrong, 2012).

The broadening of the marketing concept has allowed it to be applied to geographical entities. From there arise the concept of City marketing. City Marketing is the procedure which local activities are combined in a marketing plan, according to consumers' demands in order to maximize the utility of the cultural and economic functions of each region. It is the promotion of a city with the aim of encouraging certain activities to take place there. It is used to alter

the external perceptions of a city in order to encourage tourism, attract inward migration of residents, or enable business and entrepreneurs location-relocation (Kotler et. al. 2009).

City Marketing differentiates in a significant way from the typical concept of marketing as in city marketing is offered the use of the product (place, space, city) and not the possession of it. Also the target of city marketing is firstly social welfare but in combination with profit. Another significant difference between city marketing and marketing is the great initiatives for partnerships between public and private sector (Kotler et al., 2009).

More in detail city marketing procedure is defined through city marketing management which is the process of setting marketing goals for a city, the planning and execution of activities to meet these goals, and measuring progress towards their achievement. Three are the basic steps of the management procedure: 1) identify and set competitive advantages, 2) select the right competitive advantages and 3) communicate and deliver the chosen competitive advantages to a carefully selected target market (Kotler et. al. 2009; Ashworth & Vgood, 1990). In the first two steps is needed a strategic analysis of the city and a SWOT-analysis is a recommended technique to summarize and make visible the strengths, weaknesses, opportunities and threats of the place and its environment.

These two steps help to the formulation of the marketing mix which is *the combination of marketing measures needed to achieve the desired strategy* and considered as the most essential part of the marketing process (Ashworth & Voogd 1990). There are several attempts through the last two decades to define a geographical marketing mix for city marketing; based on the traditional marketing approach that defines the marketing mix as the 4 Ps (product, place, price, promotion). Characteristic examples are the Services Marketing Mix (Berg et al. 1990), 8Ps Model which includes product, partnership, people, packaging, program, place, price and promotion (Deffner & Metaxas, 2006; Morrison, 1989) or specific formulated mixes according to city's needs.

Though, there are four important theoretical contributions to this direction. In early '90s Ashworth and Voogd (1990) suggested that a marketing mix should include a combination of at least the following sets of instruments: promotional measures, spatial-functional measures, organizational measures and financial measures. In the late '90s Kotler et al. (1999), adopting the 4 Ps as suggested by traditional marketing, distinguish four strategies as the foundations for building city's competitive advantage. These are: design, infrastructure, basic services and attractions. Similarly, Hubbard and Hall (1998) described a model of city governance which

set goals in order to transform the city into “consumable product” and achieve these goals through the following policies: advertising and promotion, large-scale physical redevelopment, public art and civic statuary, mega events, cultural regeneration and public-private partnerships. Lastly, the most contemporary approach is from Mihalis Kavaratzis who produced through a number of papers his personal framework which is oriented towards activities for communication. Primary communication includes landscape strategies, infrastructure projects, organizational structure and behavior of the city. Secondary communication refers to promotional activities such as advertising, public relations, graphic design and logo-slogan creation. Lastly tertiary communication includes the word of mouth and media representations (Kavaratzis & Ashworth, 2005; Kavaratzis, 2005; 2004).

Kavaratzis approaches bring us to the third step of management process, the communication part. Here is highlighted the importance of the city’s image as a crucial factor in the procedure of City Marketing and setting place branding techniques one of the most important practices in city marketing. Thus, *the brand identity is a unique set of brand associations that the management wants to create or maintain. The associations represent what the brand stands for and imply a promise to customers from the organization* (Aaker, 2002). Mainly there is a (re) construction of an identity for the place which creates an association of these specific activities in the consumers mind and differentiates among the other places (Florian, 2002; Simoes & Dibb, 2001).

Many authors argue that city marketing in fact should be about city branding because the goal of city marketing should be the management of a brand. There is a shift towards branding as the main practice of city marketing (Anholt 2006; Kavaratzis and Ashworth 2005; Kavaratzis, 2005; 2004; Hankinson 2004; Trueman et al. 2004; Hauben et al. 2002). In this case city marketing constitutes the basis of the study and place branding concept and branding techniques are considered as an important part of city marketing process and as a special application of city marketing. For this reason there is not a deep analysis about the theoretical framework and the concepts behind place branding, but a small overview in the following paragraph of what can be the basis for developing branding techniques.

According to Ashworth (2009), branding techniques can be based on history (Athens: Acropolis), famous personalities (Gaudi A., the most important architect that shaped Barcelona’s scenery), a memorable building (Bilbao: Guggenheim Museum) or a thematic district-cluster (Vienna: “MuseumsQuartier”). Further assets are an event or a festival with worldwide fame (Olympic Games, Glastonbury music festival in Edinburgh), gastronomy

(Valencia: fresh paella) and natural environment (Mediterranean islands, World Heritage or National Park labeling), stable economic environment and entrepreneurial culture-tradition. Furthermore there is a great diversification in the way the brands are communicated (advertisement, logos, tourist packages).

2.1.2 Key actors

If we conceptualize the city as product means that it should meet customers' expectations: the city stakeholders. From these stakeholders and their needs emerge the points that satisfy them and also these can be the principals under which the city can be developed. The success of the city marketing strategies lies in the choice of potential customers in the city, in other words to identify the target markets and gather information from current customers and for current competitors for their preferences, needs and what they want (Kotler et. al. 2009). The knowledge of each type of customer of a city is important in order to promote the right advantages and the right image to them. Each pool of customers is different and looks for different things in the city. That is why analysis of the product and the target market are the first steps in city management process described above, since it is a crucial question that should be answered.

There are four main pools of customers that the city needs to have a control over and to target while developing city marketing strategies. These target markets-customers are classified into four groups from different authors in the academic literature. The first group is the residents of the city. They are customers who can come to a specific city to settle for a long period of time to work or study. As a second category of actors, are the potential entrepreneurs that locate their factory, plant distribution or establishment in the city. The potential visitors of the city constitute a third category of actors. In this group, we can count the people who come for a short period of time for tourism, sightseeing, festivals, and events. The last category is constituted of investors. This group does not have to be resident in the city; they can be just companies investing money in activities that enhance the activity of the city (Braun, 2008; Kijkuit & Van den Ende, 2007). Sometimes the actors overlap as it is possible for example a resident to be also an entrepreneur or an investor to become resident of the city.

Figure 1: Key actors in the marketing process



In this study the focus is on entrepreneurs and investors and the cultivation of entrepreneurship through city marketing strategies. In other words, using city marketing strategies and branding techniques to appeal entrepreneurs, investors, new companies, firms as well as generate entrepreneurs from the local residents. This focus comes in line with the recognition of European Union from 2000 and on with Lisbon treaty, that entrepreneurship is an important driver of economic development, employment and a key for productivity growth as well as has effects on regional development and provided the member states with detailed documents on how to strength entrepreneurship (László et al., 2013).

Entrepreneurship is the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit (Business dictionary, 2014a). In that direction an entrepreneur is someone who starts a new business venture or acquires an existing one and the entrepreneurial success is based on the time period an entrepreneur survives (the longer the most successful) (Praag van, 1999). An investor is a person who puts usually money, to use by purchase or expenditure, in something offering potential profitable returns, as interest, income, or appreciation in value (Business dictionary, 2014b). The difference between them is that investors are people who provide a business with the finance it needs. This finance can come from owner's capital or loan capital from banks. On the other

hand entrepreneurs are people who take the initiative to turn an idea (innovative character of the entrepreneur) into business.

From the definitions mentioned above is indicated that entrepreneurship is driven from individuals and entrepreneurial processes are driven from individual actions. However, these individuals are embedded in a regional context or the context of a city which influences the entrepreneurial processes during the whole period of defining who can be an entrepreneur, capturing an innovative idea, transforming it into business and making it successful. It is a combination of regional and individual characteristics that determines whether the process will work successfully or not (László et al., 2013; Sternberg, 2011). That is the reason why entrepreneurship should be the objective of regional development policies and city marketing strategies. When the comparative advantages of a region-city are based on ambitious human capital and knowledge the strategies should facilitate the conditions in which entrepreneurs can discover their potentials and transform their ideas into innovative activities (Audretsch et al., 2011).

The implementation of strategies and policies in the direction of entrepreneurialism, aims on the trial to transform cities into entrepreneurial cities. The transformation into an entrepreneurial city includes a focus on the concept that a city is seen as growth engine which constitute the key to economic prosperity and growth oriented strategic approaches with risk taking, innovation, promotion and profit motivation should be adopted from the local institutions in collaboration with the private sector (Jessop, 1998; Hubbard & Hall, 1998).

There are some general recommendations for building the strategies during the procedure of entrepreneurialism (transformation into entrepreneurial city). First, it aims at fostering and encouraging local economic development, it tries to initiate economic growth rather than control and manage it. Second, it is a market-driven approach and the strategies should not interfere with the market selection process. Third, it involves in great extent the private sector and encourages the formation of public-private partnerships as the most appropriate institutional framework for cities to compete in the global market. Fourth, it creates favorable conditions for entrepreneurship through education of people that can be the future knowledge based economy, advantageous regulations for the new innovative businesses and most importantly create entrepreneurial culture (Fritsch, 2011). These characteristics show that the essence of entrepreneurialism is to apply innovative thinking to policy planning in a strategic way, based on long-term visions. Such attitude is essential for competitive cities in the global competition (OECD, 2007).

Simultaneously, many authors incorporate into entrepreneurship and into local economy, the role of artists. Many artists and designers contribute to the city's economic base, bringing in income with their creations. Pools of artists attract also the cultural industry and firms in fields such as publishing, advertising, music, design, and architecture as well as enrich the neighborhoods of the city and make them attractive for other residents and employees (Markusen, 2006; Markusen & King, 2003; Florida, 2002).

2.1.3 Entrepreneurship and City Marketing in border context

As mentioned above, cities undertake marketing initiatives in order to enter in a list of geographical areas that are potential spots for businesses and talents. To make a place attractive, there is the need to improve services and infrastructure and communicate the unique advantage of investing and living in a region.

The global economy is experiencing a shortage of investment projects and attracting talents seems to be even more crucial than before for the economy to recover. Thus, city marketing strategies are needed more than before. In this context, the chance of single towns and cities to compete successfully is reducing because only the most "diverse economies" will have the possibility to win and one single place closed within its own borders is likely not to a unique product for competing and "winning" global competition (Eisenschitz, 2010; Burghard, 2009).

Taking, also, into account the regional attributes that affect entrepreneurship, in other words the drivers and the determinants of entrepreneurship, the literature and several empirical studies indicated characteristics of a region-city that influences entrepreneurial decision, start-up rates and firm survival. The most acknowledged of them are the presence of small firms and economic-industrial specialization, as well as urbanization and agglomeration have a positive effect on firm formation and create the room for an increasing pool of potential entrepreneurs. The literature has also shown that population growth and high population density as well as large market potentials affect positively the number of entrepreneurs (László et al., 2013; Sternberg, 2011).

Furthermore, industrial concentrations such as clusters, create an environment of networking and sharing linkages of social capital, knowledge, institutions and technology among firms, thus an advantageous way for an entrepreneur to easier access ideas, information, labor and emerge start-ups. All these determinants are complemented with the influences of the

individuals and the state on entrepreneurship. Strong, creative and talented human capital, universities and research institutes that promote innovation, financial support and regulations in favor of entrepreneurship and innovation create an institutional context that defines the entrepreneurial activities (László et al., 2013; Sternberg, 2011).

In this frame, there are cities and regions that do not possess all the advantageous attributes that drive entrepreneurship and in combination with other characteristics such as geographical proximity, it is generated the opportunity for governments to develop joint strategies that cross administrative boundaries and combine two or more places together in order to provide a more attractive product-place (Hankinson, 2001). Thus, cross-border cooperation is a way to deal with global competition and enhance competitiveness for those places that share networks of services, and businesses (Bristow, 2010; Meijers, 2008) as well as a viable strategy for branding places (Bellini et al. 2010; Kalandides 2007).

Perkmann (2003) defined cross-border cooperation as *the institutionalized collaboration between contiguous subnational authorities across national borders*. Governments' ruling and decision making from national governments instead of supra-national institutions on each side of the borders mainly is the interrupting factor in a homogeneous region, where cross-border cooperation can be based on the similar ethnic groups, similar economic possibilities, historical and cultural background (Boman & Berg, 2007; Kramsch, 2003).

Despite the present proliferation of cross-border initiatives in many parts of the world, a part of the academia indicates that there are many crucial problems of finding an adequate form of governance in the process of establishing an across the border region (Franz & Hornych, 2010; Scott, 1998). Of course there is the acknowledgment of borders as bridges and many countries invest in this role but also borders are seen as resources, from which they try to benefit individually rather than in an integrated manner (O' Dowd, 2002).

2.2 Review

2.2.1 Amsterdam

In the city of Amsterdam creators² of the last marketing plan recognized the competition and started a spherical marketing plan in order to identify the demand of the product, the competitors and the strong characteristics of the city (Gemeente Amsterdam, 2003). The initial research highlighted that the city was threatened from competition with other cities in the fields of conference tourism, as a business location and despite the fact that it was an attractive tourist destination the image of the city was deteriorated as a place for drinks, sex and drugs (City of Amsterdam, 2004).

The participants of the plan after conducting interviews with relevant people combined the results with other relevant sources (literature on city marketing, policy documents for Amsterdam and travel guides). The analysis of these data ended up with a SWOT analysis, which emerges 16 strong characteristics for the city which are considered the points that Amsterdam's development should be based on and a new branding campaign created with the main logo 'I amsterdam', which was printed in several souvenirs but also as big sign-constructions in some parts of the city (City of Amsterdam, 2003).

Picture 1: I amsterdam, the sign-construction in Museumsplein



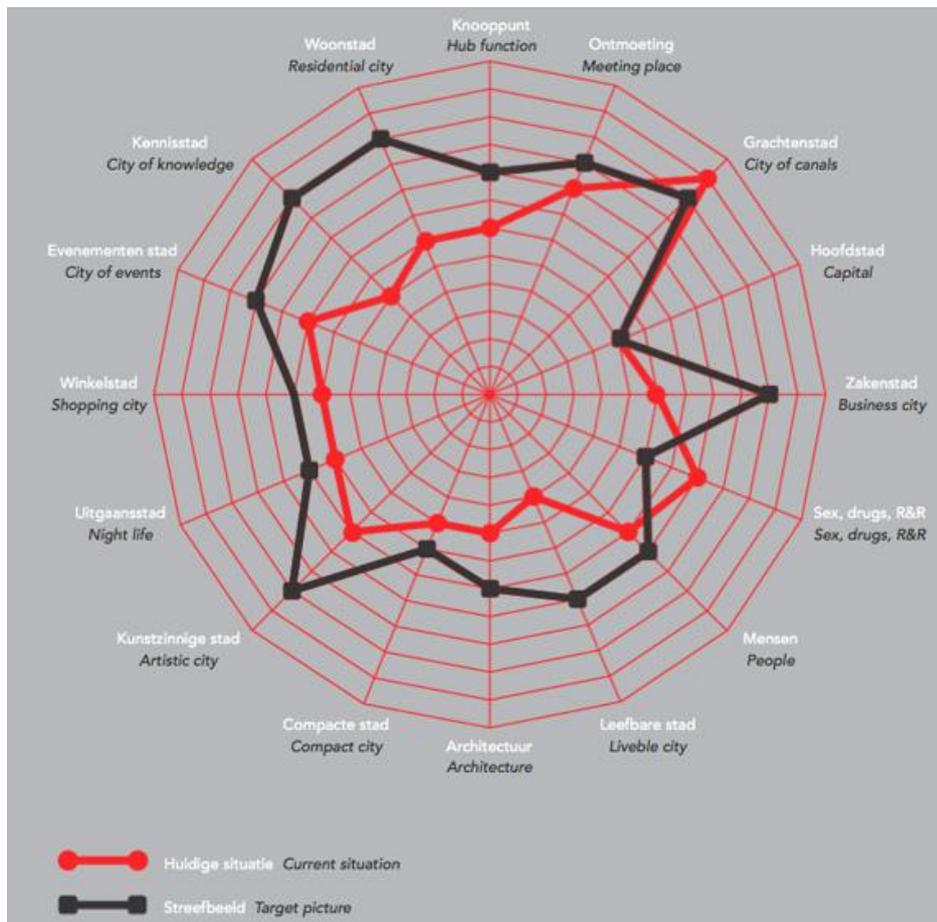
Source: own file

² Partners in marketing plan (private and public partners): Stichting Amsterdam Promotion (AmPro) – Amsterdam Partners, Amsterdam Tourist Board BV, Amsterdam Congres Bureau, Amsterdams UitBuro (AUB), Gemeente of Amsterdam, Amports, Cruiseports, Private commercial enterprises, ARCAM, Topsports, Knowledge Foundation Amsterdam, Nederlandse Spoorwegen (City of Amsterdam, 2004).

These 16 points were: residential city, hub function, meeting place, city of canals, capital, business city, sex, drugs and rock & roll, people, livable city, architecture, compact city, artistic city, nightlife, shopping city, city of events and city of knowledge. They presented these 16 dimensions in the form of a spider web and with the use of questionnaires asked from the residents to assess how the city performs in these dimensions. Analyzing these results the creators of the plan had simultaneously created their priorities and the new goals that they should set since from the spider-web, emerged the points that need improvements and which points are not desirable (City of Amsterdam, 2003).

In the following picture is the spider web with the 16 characteristics, positioned in the current and in the desirable situation. From the point of view of this study (entrepreneurship), in the marketing plan for the city of Amsterdam there is a recognition of the importance of this concept and this can be seen through the two characteristics that the plan need to improve; business city and city of knowledge.

Picture 2: 16 strong characteristics of Amsterdam



Source: Kavaratzis, 2009

The importance of entrepreneurship in the marketing plan of the city of Amsterdam can be also seen in the target markets that the creators aimed. The hierarchy of the city actors shows clearly the desire to establish Amsterdam as an international attractive innovative business location. The list of target groups is 1) Business Makers 2) Logistics Service Providers 3) Creative Sector 4) Knowledge Workers 5) Active City Dwellers 6) International Visitors 7) Current Inhabitants of Amsterdam and surroundings (City of Amsterdam, 2004).

The plan was a long-term vision that gradually implemented and evaluated in order to use the feedback for the continuation of the implementation under new priorities and needs that emerged. In general it is considered a successful plan. The main reasons that contributed to the success of the marketing plan are that there was research before the plan started, it was a spherical approach of the product and did not confine to a simple advertisement and take into consideration as a target group of the marketing plan the residents and their activities and do not focus only on the tourist industry (Kavaratzis, 2009).

2.2.2 Øresund

The Øresund is a cross-border region between two main cities, Copenhagen (capital city of Denmark) and Malmö (Swedish city). Since the 1990s, regional authorities have joined forces to put Copenhagen and Malmö on the European map. Meanwhile, the region is highlighted as a European success story in the field of branding (Hamers, 2005; McNeill, 2004; Van Ham, 2002). These attempts became stronger especially after the completion of the Øresund Bridge that created a fixed link between Copenhagen and Malmö. The agreement took place in 1999 and by 2000 the bridge was ready as well as a strategic common vision for the area was presented under the title: 'Øresund-A Region is born' (Hospers, 2004).

The last two decades the area has become a modern and diversified economy and experienced high growth rates. During this period, there was the creation of new firms and the expansion of existing companies. A committee was established in 1993 and it was responsible for the promotion of the united area. The committee included partners from both countries and representatives from all the local parties. The main priority of the committee³ was to set a vision for the man and his needs and aimed to show that the region wanted to invest in

³ Partners in the committee: (Danish) Capital Region of Denmark, Region Zealand, Copenhagen City, City of Frederiksberg, Bornholm Regional Municipality, Greater Copenhagen Forum for local Municipalities, Local Government Regional Council of Zealand. (Swedish) Region Skåne, The City of Malmö, Helsingborg City, The Municipality of Lund, The Municipality of Landskrona (Øresund, 2014).

facilities related to human needs, such as health (medical technology), contact with others (the Øresund Bridge) and leisure (culture and nature). They tried to become a well-known area in the European territory by creating a well-informed web page and producing brochures. The branding campaign had as a main logo “Øresund-The Human Capital”, using the typical “Ø” (Nordic languages) and the meaning of “human capital” as the capital of Scandinavia and Europe that offers good living, working and recreation opportunities for modern people (Hospers, 2004).

Picture 3: The Øresund region and the Øresund Bridge



Source: Øresund, 2014

Similarly to Amsterdam also the Øresund area has recognized the importance of entrepreneurship and appealing entrepreneurs and investors through specific strategies. This can be seen from the last renewal of goals in the marketing strategies of the area; 1) A Diverse and Cohesive Labour Market 2) Climate and Green Growth 3) Culture and Events 4) Mobility and Accessibility 5) Knowledge and Innovation (Oresundskomiteen, 2011). Moreover specific data and appealing arguments for reasons why someone should select this region for “doing business” are in the official web page of the region in a well-seen spot (Øresund, 2014). Finally, announcements for continuous investments in infrastructure (more links for

both cities but with other cities too, maintenance of the airport and high speed trains) guarantee accessibility and motivate commuters (Oresundskomiteen, 2011).

Picture 4: Øresund logo

Öresund – The Human Capital of Scandinavia



Source: Oresundskomiteen, 2011

Evaluation of the above mentioned strategies showed that there are two main reasons that contributed to the beneficial economic achievements: effective collaboration between local parties and a branding strategy. But the authorities involved in the projects admitted their desire to vanish the borders and make them less important was not realistic. Thus, despite the successful strategy of city marketing in the external city actors, entrepreneurs, investors and visitors, the residents of the area still feel Danish or Swedish rather than residents of Øresund and there is a lack of cross-border feeling (Hospers, 2004).

2.2.3 Tornio and Haparanda

Tornio and Haparanda are two towns with small population in Finland and Sweden respectively. They have conducted separate individual marketing operations during the past decades. After the entrance of Finland and Sweden in the European Union in 1995 the two cities started participating in joined programs. At the beginning of the 2000s there were the

first initiatives for joint marketing operations as well as investments for the improvement of public infrastructure that joined the two town centers. In 2006 was launched the first brand-logo that is used until today for the promotion of the area and by 2011 the constructions of the infrastructure that united the two towns were done and they were open to the public. The logo is the names of the two towns united without a space-gap TornioHaparanda (or HaparandaTornio) and aimed to make people think the two towns as one (Provincia Bothniensis, 2006).

Picture 5: Location of Tornio and Haparanda



Source: Provincia Bothniensis, 2006

Picture 6: The logo (the same graphics, only a change in the sequence of the towns' names)



Source: Provincia Bothniensis, 2006

In 2009, TornioHaparanda started the first collaborative city marketing project in order to develop experience-service businesses in the region under the name Destination-project and it

was funded by EU Structural Funds (Interreg IV, A Nord program). The primary goal of the project was to start and stimulate processes both in business life and community, which developed tourism and created new businesses (many firms located in the area such as IKEA, NOKIA, KAPPA KRAFTLINER, POLARICA, SCA) (Tornio, 2009).

Furthermore, Tornio and Haparanda have created in 2010 a collaborative vision for 2020. The vision has as main goal to make TornioHaparanda an international center in the region through five priorities borderless education, logistic center, dynamic entrepreneurship and business, sustainable environment, and exciting shopping and visiting stop. The partners in the collaborative actions are Tornio and Haparanda city councils and Tornio and Haparanda city boards which have common meetings during the year (Provincia Bothniensis, 2010).

The main reasons that contribute to the success of this project were the unification of the town centers in terms of communication and infrastructure. Communication enhancement and collaborative public town environment enable to increase cooperation between residents, businesses and other organizations. The development in infrastructure was important before starting any brand identity promotion (García et.al, 2011; Qu et.al 2011).

From the priorities on the most recent city marketing strategies that have been implemented in the area, it can be seen a clear approach from the two towns to improve their entrepreneurial environment despite their small size. Considering also the whole review with these three examples, derived the conclusion that entrepreneurship and appealing investors have been recognized from government authorities as an important tool for further development and they have incorporated these concepts as crucial priorities in their development plans, thinking more wide and not strictly to promote a place for touristic reasons. Also from these examples it can be seen that entrepreneurs and investors are important city actors (maybe not equally important to residents but to tourists) that should be considered as target groups in potential city marketing strategies.

3. DESCRIPTION OF THE CASE-STUDY

The case-study of the current research is the border region between the capital city of Austria, Vienna and the capital city of Slovak Republic, Bratislava as well as the two cities. In this chapter there is a brief description of some basic characteristics of the case-study in order to give to the reader an overview about the two cities. The description is presented in a comparison way since it has as an aim to highlight the similarities and differences between the two cities.

3.1 General details

In the following map we can see how the cities are uniquely situated in the borders of Austria and Slovak Republic as well as the small distance between the two cities (the smallest distance between capital cities in the European space, only 60 kilometers).

Picture 7: Vienna and Bratislava



Source: Centrope, 2014.

The historical background between the two countries and cities is quite different. Austria is developed with the traditional West European culture even the fact that it belongs to Central Europe and the country is a member of European Union since 1995. Slovak Republic was until 1989 part of Soviet Union and under the communistic regime and until 1993 a united country with Czech Republic (Czechoslovakia). All these factors contributed to the transition character that the country's economy has the last two decades, time period that it is actually an independent country. Slovak Republic became a European Union member in 2004, almost 10 years after Vienna (Jaško, 2007).

In the following table are presented some important characteristics for the two cities. The characteristics are selected as important indicators that can show an overview of the two cities and also as related ones to the topic of the thesis.

Table 1: Basic information about Vienna and Bratislava

	Vienna	Bratislava
Governance	Federal system	Parliamentary Republic
Population	1.741.246 (at the beginning of 2013)	428.791 (2010)
Unemployment rate	7,9% (2012)	1,85% (2010)
Tourism arrivals	12.262.828 (2012)	759.813 (2010)
Major sectors	Finance, insurance, real estate, business	Real Estate, Wholesale and Retail Trade
Gross regional product	44.300 (euro/capita in 2010, 26% country's GDP)	43.063 (euro/capita in 2010, 27% country's GDP)
Tertiary attainment in population aged 25-64	25,9% (2012)	17,3% (2010)

Sources: Statistics Austria; Statistical Office of the Slovak Republic

There are two major differences between Vienna and Bratislava, the size as population in Bratislava is way lower and the administrative governance. Bratislava has more or less converged the last years with the economic and development levels of Vienna as we can observe in the table. This converge has generated internal inequalities in Slovak Republic, as the capital city is an exception in the development levels of the rest of the country. Both cities are the wealthiest ones in their countries and they have a high educated human capital.

3.2 Entrepreneurial environment

Zooming in the area of interest for this particular study, entrepreneurship, there are some useful facts about the two cities being studied. Both Bratislava and Vienna hold the leading positions in their respective economies. In 2012, there were approximately 105.000 active companies in Vienna and 58.401 in Bratislava. Regarding company size, both cities are characterized by a large share of micro-sized (<10 employees) and small-sized (10-49 employees) companies (about 98% of all companies). Also, in 2012, 6.157 new companies were founded in Bratislava and 8.279 in Vienna. These numbers correspond to enterprise birth rates (i.e. number of newly born companies as a proportion of the total number of active companies) of 10.5% in Bratislava and 7.9% in Vienna (Statistics Austria; Statistical Office Slovak Republic).

In the following table there are some basic factors that are characterizing the entrepreneurial start-ups in 2012 in the cities of Vienna and Bratislava. The dominant gender for start-ups is the male one and in general the start-ups are from young people between the age of 25 and 35 with high education. The fields on which the majority of the start-ups emerge are modern technology, information technology, life sciences and other services in that direction.

Table 2: Patterns of start-ups and young enterprises in 2012

	Start-up in Vienna	Start-up in the Bratislava
Gender	Mostly men	Mostly men (approximately 30% women)
Age	25-34 years	25-29 years
Education	University education	University education
Education specialization	Technics, economics	Technics, economics
Scope of business activities	ICT, Life Sciences	IT, other services

Sources: Dömötör et al, 2013.

3.3 City marketing strategies

In the trial to examine the position of entrepreneurship in the city marketing strategies of the case-study, it is useful to analyze the existing strategies that are implemented in the area from the two cities. In this sub-chapter strategies are described, who is responsible for them, what the two cities conduct in the field of place branding in order to be advertised and what they expect to gain from the implementation of these strategies. This description gives an overview on the topic of city marketing strategies, the target groups that are aimed and what is the position of entrepreneurship.

3.3.1 Vienna

For many years Vienna consists one of the famous tourist destinations of Europe and has a strong image based on its culture and history as well as on appealing tourists during the Christmas period. But the “imperial” city, as it is called, is not compatible with the contemporary civilization. For this reason the most recent marketing campaign has as a main aim and goal to redefine the city as a destination with respect to the past history under the title “Tourism concept 2015: Next Generation” (Popescu et al, 2011).

After a public initiative, in 2009 the organization Vienna Tourist Board (VTB), as a part of the municipality, developed an international marketing research with the focus to understand the most important assets of Vienna’s identity as a destination. The survey concluded in five strategic action priorities in which the new marketing strategies will be based on: imperial heritage, profusion of music and culture, savoir vivre and gastronomy, functional efficiency, balance of urban and green areas (Popescu et al, 2011).

These five priorities are expressed through the focus of the marketing strategies in three pillars. Promote Museumsquartier, which was also a vital goal in the previous strategies in 2006. This cluster of museums combine the old baroque architecture with new contemporary buildings and is one out of the 10 biggest cultural clusters in the world, with five museums⁴, restaurants and cafes, shops and places appropriate for festivals to take place. Also, the strategies focus to improve the tourist infrastructures and services (easier accessibility through the improvement of the airport, railway, enhancement of the quality of the hotels and security in the city with policemen speaking in the English language). Finally the combination of the

⁴ Leopold Museum, Architekturzentrum Wien, Museum Moderner Kunst Stiftung Ludwig Wien (MUMOK), KUNSTHALLE Wien, ZOOM (Museum for children) (Museumquartier Wien, 2013).

previous two will lead to the creation of the appropriate environment for conference tourism in Vienna (Popescu et al, 2011).

The institutional context behind the marketing strategies is the administrative authorities (municipality and state) in cooperation with companies who are responsible for the management of Museumquartier. They created a campaign and used every mean of promotion for the city, such as media advertising, guides and brochures, posters and banners in search engines, tourist material like mugs, umbrellas, souvenirs in general and a card with discount in the attractions of the city or in the transportation means. All these have a specific brand, which creates a connotation to people minds with the logo and the city. This logo is “Vienna, now or never”, and is trying to persuade visitors to visit the city and not to lose the opportunity. It is considered more active in comparison to the previous, passive one “Vienna waits for you” (Popescu et al, 2011).

The expectations from the campaign are mainly economic, because the focus on the increase of tourist arrivals and increase of sleep overnights in the city. But they have also a reflection in the urban environment of the city for the local residents. It is considered the best city in terms of quality of life and one of the best green cities. Also, all the improvement of infrastructure is beneficial for the residents too and the cluster Museumsquartier provides employment chances. Finally the cultural events that are differentiated among the year provide a variety of reasons to people and especially the residents to visit this place more than once.

All these came in line with the “Vienna 2016” vision for the international activities of Vienna with an aim to improve the city’s image abroad. The Vision for 2016 is a competition-oriented approach with a holistic perspective of the city marketing strategies that include all the four target-markets within the city and state clear their niche of competition and collaboration. The goals are top quality of life, cultural metropolis, a hub for Central European businesses and finance, center for education science and research, city of excellence in medicine. Furthermore, they aim to target groups also outside from the European territory, such as from Asia, USA and Arab regions (Wien, 2006).

3.3.2 Bratislava

Bratislava is an autonomous country for 20 years and has confronted many different ways of governance throughout her history. After the introduction of the country in the European Union in 2004, there is a trial from the city to become competitive in Central Europe and differentiate among the other more developed metropolis (Prague and Budapest). For this reason the municipality carried out in 2008 a marketing research on the consumers' -tourists' behavior, in order to configure the basis for the strategic development of the city in the period 2009-2012 and 2010-2020 (Matlovicova et al, 2009).

The results lead to the creation of six strategic priorities for the development orientation that the capital city has to follow. These are: Bratislava a supra-regional center, knowledge economy, quality of life, quality of the environment and urban territory, transport and technical infrastructure, city administration and governance. The priority and the main focus of the marketing strategies are to improve firstly the public transportation system in the city and the infrastructures that are vital for touristic development and secondly to continue to be a city that attracts the majority of foreign investments in Central Europe (Matlovicova et al, 2009).

Furthermore another pillar of focus is the creation of administrative and commercial clusters within the city with modern, glass, skyscrapers and buildings of commercial character which are providing modern office areas, as well as areas for leisure time activities, entertainment, shopping opportunities and night life. In that direction there are already many trials as the Polus tower, Eurovea, Central as well as new attempts Panorama city. Also the strategies are focused on the promotion of the past history of the city through the restoration of old important buildings (Matlovicova et al, 2009).

It is obvious that the strategies of the city authorities (municipality) focus on the creation of a modern character as a lively metropolitan city and economic-business center for Bratislava and this is the reason that the cultural and historical part of the strategies comes in second position. This intention is indicated clearly in the advertising campaign for the media and press in which Bratislava appeared on the one hand as a cheap foreign destination for weekend shopping, the logo is "A city to buy your presents" and party destination with advertisements with exciting nightlife and many clubbing alternatives. The appeal of a target group that desires party tourism has gain, however, criticism from the local community. On the other hand the city appeared as a localized economy with the appropriate conditions for

the development of economic activities and a promising human capital under the logo “Bratislava – little big city”, trying to persuade investors in a small city but with big opportunities in the business field (Matlovicova et al, 2009).

The expectations from the campaign are also in Bratislava economic, More specifically there is a trial to change the industrial identity of the city (there are many automobiles industries and chemistry industries) -Bratislava is called “little Detroit”- into a service and administrative and to overcome and differentiate from the competitive metropolis of Central Europe (Warsaw, Prague, Budapest). In this trial the investment in the city’s infrastructure to appeal foreign investors and international, contemporary companies activities (management, finance, design) influences also in a positive way the urban environment of the city and the local residents, especially in the transportation accessibility into the city center.

From the analytical description of the characteristics of the case-study above emerges the observation that the two cities possess the signs of the shift to an entrepreneurial economy according to László et al. (2013), which renders entrepreneurship as a potential tool that can be used for further development. The young, educated human capital as well as research centers and universities show that knowledge is a key driving force of economic growth (see table 1,2), individuals and new small firms rather than large firms (see entrepreneurial environment) are the leading factors in knowledge creation and production of innovative, marketable goods and services. There is a broad entrepreneurship policy aiming to promote entrepreneurial innovation and facilitate high-growth potential start-ups through the city marketing strategies of Vienna and Bratislava that focus on the four actors of the city marketing concept (tourists, residents, investors and entrepreneurs) and they have incorporated entrepreneurship as a goal that can be achieved through these strategies.

All these combined with the geographical proximity between the two cities and the existing background of transactions between them creates the choice of entrepreneurship as suitable objective for a joint city marketing strategy between Vienna and Bratislava. In the following chapters it is described the analysis that was employed in order to test this assumption and provide the reasons why such a potential strategy is working or not, applied in the case-study.

4. METHODOLOGY

This chapter describes the research methodology starting from an explanation of the intellectual influences on the researchers thinking as they are considered important insights on further understanding the research methodology being chosen, the selection of the research method and the description of the actual methodology and concluding to the description of the data collection and data analysis. It is considered as one of the most important chapters of the current study as it is the linking factor between theory and results as well as enables the readers to evaluate the results and the conclusions in the following chapters.

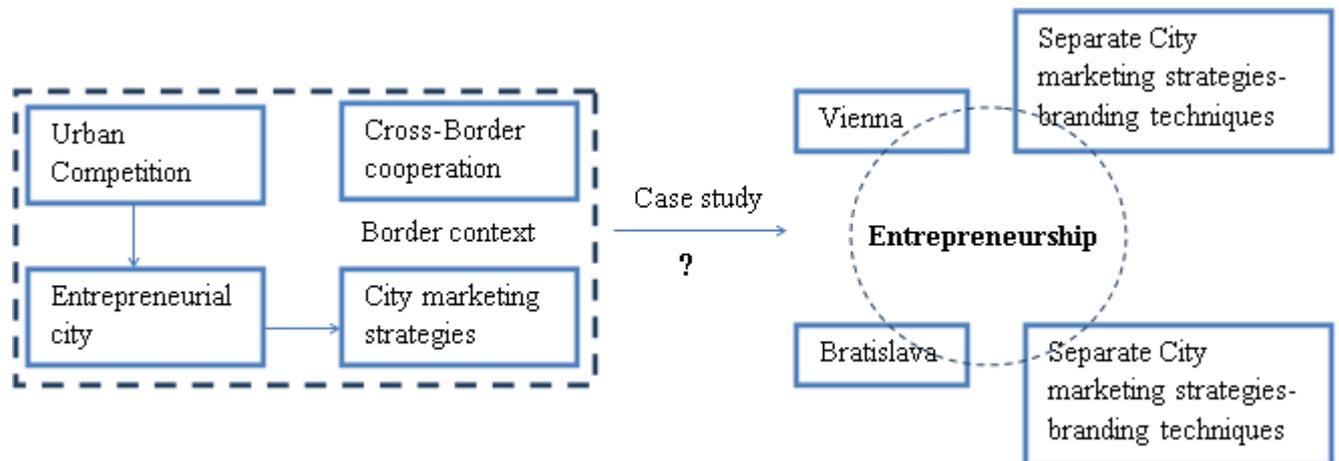
4.1 Intellectual influences

The research philosophy that guided the present study is influenced from two intellectual paradigms, structural functionalism and interpretivism. Structural functionalism *divides social phenomena into parts, each of which serves a function for the operation of the whole* and has as a goal to seek and understand the role that several functions play in the society, why they are advantageous or disadvantageous, and how they could be improved or eliminated (Babbie, 2013). In this study entrepreneurship is regarded a vital part of a bigger organism, city, and also as a part of city marketing strategies an important linkage between two organisms in a broader system (system: border metropolitan region, organisms: two cities Vienna and Bratislava). The role of this part-linkage in the system is being studied.

Interpretivism is based on *the view that people socially and symbolically construct and sustain their own organizational realities* and has as a goal to generate descriptions, insights, and explanations (Denzin & Lincoln, 1994; Burrell & Morgan, 1979). It is considered the most important influence on the research philosophy as it is characterized from the involvement of the researcher during the investigation (Carson et al., 2001). In the current study the researcher was an instrument of the research as she made decisions that affected choices of methods, cases and facts. The theoretical framework and the researcher's perceptions and preferences lead to a selection of evidence that have been analyzed based on what the researcher sees as relevant and important.

4.2 Conceptual framework

Based on these influences was constructed the conceptual framework that helped to establish further the actual research methodology, how the data were gathered and analyzed and in general the stages that should be followed.



4.3 Research Design

4.3.1 Research methodology

The research methodology of the current study is qualitative research connected with a case study approach⁵. The elements that justify the decision over this research methodology are; the purpose to describe, understand, learn and evaluate a case, the use of different data sources (which is also important due to the cross-border and cross-cultural nature of the research object), the need to collect that data in the natural surroundings of the research object, the results should be expressed in words and they are not transferable into numbers (Ghauri, 2004). Additionally considering the nature of the research question –a What? How? Question- the literature indicates that it can be answered most effectively through case study approach and based on the examination of contemporary events (Yin, 2009).

⁵ A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2009).

4.3.2 Selection of the case-study

The border region between the capital city of Austria, Vienna and the capital city of Slovak Republic, Bratislava was selected as a case-study. It is considered a representative case-study and the selection is based on two main reasons. Firstly, they are uniquely situated in the borders of Austria and Slovak Republic; they are the two closest capital cities in terms of geographical proximity in the European space (only 60 kilometers). Secondly there is an already existed background and long history of collaboration and transactions between these two cities and their residents. There are also other practical reasons for the selection, as it is an easily accessible destination for the researcher in terms of proximity but also in terms of funds.

4.3.3 Stages in research

There are two distinguished parts in the methodology. The first one is desk research, as it is called. The aim is to explore existing relative similar researches and official (EU) documents that deal with the master thesis topic. Through this exploration the researcher wants to identify the strategies and the priorities of the two cities, the groups that are being targeted, the governance and the design behind the strategies. Most importantly the researcher wants to identify why these two cities implement joint activities in this specific area, who leads the joint activities and at the very end if this is an equal partnership. For this reason was conducted a review in documents and projects that deal with cross-border cooperation in the area in general and with a focus on entrepreneurship, their evaluation and critics for them, trying to respond to the above mentioned issues. The findings from desk research are reported critically in the following chapter including the results and helped with the formulation of the questions for the in-depth interviews.

Interviews are the second part of the chosen methodology. Through the interviews with key persons relevant to the topic it is expected from the researcher to confirm or reject the initial findings and at the end withdraw the final results and conclusions. Interviewees were selected based on their position and involvement in the topics of interest and they were in total nine from both cities. In the Appendix they are analytically stated the persons that were interviewed, the questions that addressed to the each of one of them as well as a guide to the interviews with the total amount of questions used during the interviews. The fieldwork took

place in the beginning of June, 2014 (from 5/06 until 17/06), the respondents were recorded with their permission and they had the option to stay anonymous.

4.4 Data collection

It was not problematic to find data in order to conduct the methodological part. Despite the fact that in both countries the official language is not the English one, German and Slovakian in Vienna and in Bratislava respectively, there were a considerable amount of English publications from researchers as well as translated EU documents into the English language. Similarly there were not special problems in order to identify sources of information. The fact that both countries belong to the EU and the OECD, helped to find numeric and case-study data such as population, GDP, unemployment rates and entrepreneurial start-ups, supplementary previous researches and official documents also could be found in the official websites of European organizations, municipalities, chamber of commerce's and other relevant institutions. Fieldwork data obtained in the means of in-depth interviews with key persons, who have been identified with the valuable help of contact persons, in the Economics Faculties of Vienna and Bratislava in the respectively universities, with the University of Groningen, through the desk research and available information in the internet. Automatically issues associated with acquisition and verification of data were solved in a great extent as data were collected from official websites, academic publications and experts in the field of entrepreneurship.

4.5 Data analysis

The core concept during analyzing qualitative data is to understand the point of view of the individuals being studied and additionally authentic data has to be interpreted against the framework of the context and recombined in order the researcher to draw empirically based conclusions (Ghauri, 2004). Yin (2009) specifies five analytic techniques; pattern-matching, explanation-building, time-series-analysis, logic models and cross-case synthesis. Data analysis in the first methodological part of this study is based mainly on the explanation-building due to the explanatory approach of the research and the explanations are narrative and critically reflect to the issues mentioned earlier on this chapter.

To analyze the data obtained from the interviews, the software Atlas.ti was used to categorize the data and help to the management of them. The interviews were separated into three families (Vienna respondents, Bratislava respondents, Cross-border respondents) and eleven codes were created according to the most important issues that they were desired to be analyzed. Quotations from each interview and family were linked to the defined codes and they were collected afterwards as reports based on each code (issue) and not based on each interviewee. The results from both methodological parts are presented separately in the following chapter and they are compared and linked in Chapter 6.

5. RESULTS

5.1 Desk research – exploration of the documents

The two capital European cities of the case-study belong to the Centrope region which is regarded as one of the most important economic areas at the former Eastern borders of the European Union. Now the two cities create and work as a functional metropolitan region with 3.5 million inhabitants that, as both Austria and Slovakia are part of the European Union, are connected by labor market, housing and transport corridors. The fact that these two cities belong to European Union and Centrope and their geographical proximity have emerged a great number of organizations and funding programs-projects for which the area is eligible. Although the cross-border collaborations are growing in number there is not still institution responsible for the coordination of the metropolitan region (Patti, 2012).

Nevertheless, there is an interest to review the programs that deal with the case-study. Thus, here are presented the programs that deal with the stimulation of entrepreneurship in parallel with collaboration in the border context. In other words what is happening in terms of entrepreneurship in the two cities in chronological sequence.

Since the mid-1990s when Slovak Republic become an independent nation (First with the fall of the iron curtain in 1989 and then with the Velvet revolution when Slovak and Czech Republic become independent in 1993) a burst of cross-border projects have been introduced within the scope of various initiatives. The first official partnership was signed in 1993 and reassumed in 2003 under the name Co-operation between the cities of Vienna and Bratislava. The co-operation focused on collaboration via cross-border projects, with the most important proposal of exchanges between civil servants in the urban planning departments as a learning process for Slovak Republic (Fertner, 2006). Despite this first important initiative at the beginning of the 1990s cooperation within the area was complicated due to historical reasons, underdeveloped transport infrastructure and existing regional heterogeneity. Developing cross-border cooperation thus meant that both Vienna and Bratislava needed to integrate gradually their socio-economic structures. Certain differences remain until now, but major disparities across the area have been narrowed in the past decade (Brzica, 2009).

The area was positively affected through the years by various dimensions of European integration and institutional harmonization. These processes together with the trial to face global competition pressures stimulate more intense cooperation. Some steps in this direction

dates back to the period 2000-2006, when the joint Austria-Slovakia INTERREG iii Program (2000–2006) promoted strategic cooperation at trans-national level and stimulated exchange of experiences between regions. INTERREG iii had established five main priorities: cross-border economic cooperation, accessibility, cross-border organizational structures and networks, human resources, and sustainable spatial and environmental development.

However the differences between the two cities emerged through this project as the ex-post evaluation showed. On the one hand Austrian partners had a preference for soft projects and in particular those fostering regional development and industrial technology. A characteristic example is the introduction of the Vienna Business Promotion Fund in 2001, which was the main supporter of entrepreneurship in the area. On the other hand the Slovakian side gave preference on investments, notably in infrastructure (Gombitová, 2010; OECD, 2002).

The OECD Territorial Review for the Vienna-Bratislava agglomeration concluded in 2002 that there are numerous initiatives, but not clear strategy for the development of a cross-border region (OECD, 2002). Thus, in 2003 a more comprehensive approach, the Centrope partnership, was started. This year regional and local leaders signed a declaration “to build a common Central European Region”, using the name Centrope as a trademark. Among the participants there was a compromise to; establish a common region of growth and prosperity, create an attractive, internationally respected quality location covering all areas of life and improve the conditions for cross-border co-operation, by networking existing initiatives and strengthen social and entrepreneurial commitment to the Central European Region (CENTROPE Consortium, 2006).

However, the cooperation was again limited for three main reasons. The first reason lay partly to the uneven levels of development in the area. It was considered that integration could threaten the whole area. For example rise of unemployment rates for weaker groups of Vienna population as in Bratislava there was cheaper labor, or highly educated Slovaks that wanted to migrate in Vienna. There was a considerable amount of firms that relocated to the Eastern part of Europe. University cooperation was also limited as Slovak universities were not very active in knowledge-based regional development (OECD, 2002).

The second reason was the lack of financial resources in the Eastern Centrope regions. This led to two problematic areas. The regional authorities of Slovak republic focused on short-term thinking to solve basic economic problems. There was no time, capacity or money for them to think about more long-term and structural policies and solutions as cross-border

cooperation demands. Furthermore, until 2006 Centrope has been financed only by the Austrian regions and from INTERREG, as the projects were part of this EU organization. The Austrian side was the leader, organizer and co-financier of cross-border projects. After 2009 there were attempts to strengthen also the integration of the Eastern part. Finally the third reason was the fact that private partners were not involved in the Centrope partnership pointing to a lack of private commitment (Otgaar et al. 2008).

The situation described has persisted for several years. Considering though the benefits from integration and that such changes take time, Centrope renewed its goals in that direction and developed supportive measures in order to tackle the problems mentioned above.

In 2005 under the trademark “We grow together. Together we grow” Centrope partners re-confirmed the intention of the Centrope to continue its work and set new goals as; develop joint proposals for the sustainable, socially viable functioning of the cross-border labor market, intensify co-operation between existing institutions in order to integrate the cooperative activities in the region, communicate the opportunities and advantages of cross-border co-operation to the population. The last Centrope meeting in Vienna in 2006 under the trademark “We Shape the Future” set the goals of “Vision CENTROPE 2015”, where the partners deepen and expand their co-operation in four selected thematic areas: economy, innovation, research & development (CENTROPE Consortium, 2006).

Furthermore, during the years of function CENTROPE defined also a marketing concept for the area. They tried to communicate the brand CENTROPE to the local people and internationally, they targeted through their initiatives active and expanding national and international enterprises, regional development agencies and authorities, national and international decision makers and foreign journalists and media. Evaluation of the marketing concept from this institution showed that the brand is more acknowledged outside the region and there is a lack of feeling of togetherness, common policies and effective cooperation inside the region. The goals and the action plans are oriented towards foreign business structures and neglect domestic enterprises and especially SMEs. There are not specific communication patterns and actions for the brand and the initiatives such as advertisement. Finally, there is lack of the appropriate instruments and methods to implement marketing strategies and all the trials stay in theory rather in practice (Jasso, 2013).

After the programming period 2000-2006, in correspondence with the EU strategies and principles the area promoted several projects and initiatives through the current programming

period 2007-2013 for the European Territorial Cooperation Objective under the Cohesion Policy 07-13. The Program aimed to build a border region which is dynamic, has knowledge-based regional economies, is socially and environmentally attractive, and plays a key role among European metropolitan regions with investments that were expected to result in economic, social, environmental and cultural development in the border region (INTERACT, 2010; European Union, 2007). There were four strategic priorities; Infrastructure and regional accessibility, knowledge based economy, human resources and education, technical assistance (European Commission, 2007).

Simultaneously, another program under the name CENTRAL EUROPE also encouraged cooperation among the countries of central Europe in order to improve innovation, accessibility and to enhance the competitiveness and attractiveness of their cities and regions. The program was financed by the European Regional Development Fund and ran from 2007 to 2013. CENTRAL EUROPE invested millions of euros to provide funding to transnational cooperation projects involving public and private organizations from Austria, the Czech Republic, Germany, Hungary, Italy, Poland, the Slovak Republic, Slovenia and Ukraine (CENTRAL EUROPE, 2013).

The CENTRAL EUROPE Program will continue to support regional cooperation among central European countries in the upcoming programming period 2014-2020. Building on consultations with partners and stakeholders throughout 2013, the new Cooperation Program was developed and will be submitted to the European Commission in spring 2014. The priority under which entrepreneurship is observed is the: Technology transfer and business innovation, where a framework is developed for cooperation among businesses and companies in order to be more competitive in the globalized market. The program also encourages small and medium enterprises to unlock their innovation potential while promoting the use of research results to create business opportunities (CENTRAL EUROPE, 2014).

From the continuation of the cross-border projects and the priorities that are set after the last period (2007-2013), it is clear that there is a need to ensure continuity that's why the program support and sustain that partnership. The most important is that there is now the attitude towards macro-regional and long-term strategies from both areas. This comes also in line with the EU Strategy for the Danube Region (EUSDR), a macro-regional strategy adopted by the European Commission in December 2010 and both countries are part. The Strategy was jointly developed by the Commission, together with the Danube Region countries and

stakeholders, in order to address common challenges together, create synergies and coordination between existing policies and initiatives taking place across the Danube Region (EUSDR, 2014).

Entrepreneurship and appealing of investments in the area are important for the regional economic development that is the reason why these concepts are promoted also as priorities through the projects described above. Due to the context of this study, subsequently are presented institutions and cross-border cooperation projects with a focus on entrepreneurship and business making.

DIANE (Direct Investment Agency Net) network established in 2002 and finished in 2004. It includes as members the regional development agencies of Vienna, Lower Austria, Burgenland, South Bohemia, South Moravia, West Slovakia and West Hungary. DIANE is an EU-supported network aiming at the repositioning of Centrope region in the international market for business locations and the creation of a platform in order to inform potential investors. Similarly Jordes+ (Joint Regional Development Strategy for Vienna, Bratislava and Győr) project finished in 2005, targeted in developing a regional strategy for the border regions of Austria, Slovak Republic and Hungary for the regional economic development of the area (Fertner, 2006).

After the entrance of Slovak Republic in European Union in 2004, there are two important and worth mentioning business-led initiatives in the area. The first is the Vienna-Bratislava Twin city linear project that started in 2006 and is an infrastructure project with the creation of a regular boat connection between the two cities. The second is the Platform of Regional Business Chambers of Vienna and Bratislava with an aim to support co-operation between businesses in the region via different projects (Fertner, 2006).

The last years as entrepreneurship has become part of the agenda in both cities and a main goal for the forthcoming programming period there are several worthwhile attempts to improve the business environment that took place through European Union's programs. From 2009 until 2012 there was REGIONFEMME, with an objective to improve the economic expertise of entrepreneurially active women, advancing the export growth of their businesses and enabling possibilities for cross border cooperation and knowledge transfer. The main activities of this project were training, consulting, informing about the legal aspects of doing business in the neighbor country and events (REGIONFEMME, 2013).

Other interesting projects are Incompass that is implemented in order to examine and develop sustainable approaches to the financing of incubation units for business start-ups and creative industries, EKOProfit with the aim to transfer good practice from Vienna and Bratislava in terms of environmental management of the enterprises. The latter project will finish in the end of the summer of 2014 and already the partners have recognized many benefits that can characterize it as a successful project (Jean-Jean, 2014).

An Austrian initiative, from the Vienna Business Agency in order to cope with the socio-economic dynamics of the Vienna region, extended its focus on Bratislava with intention to engage key-institutions of formal, non-formal and informal education within Slovakia. In the beginning of 2012 was launched the project “Sustainability Entrepreneurs-Vienna/Bratislava”, and made a trial to create an environment of cooperation between public institutions (such as the chamber of commerce) with entrepreneurs. The role of this project was mainly to organize workshops and bring expertise in order to contribute to the learning process that will emerge new start-ups and support new enterprises with knowledge, consultancy and human capital. The sharing of ideas and the team work with the project participants aimed at the establishment of cooperative business activities (Ramel & Gabain, 2012).

The project of 2012 was successful for several reasons. Mainly, an analysis in start-ups after the implementation of the project showed an empowerment in the number of entrepreneurs in the region. Secondly, VBA found the appropriate and responsible institution in Slovakia and created a new fruitful partnership. This agency is Young Entrepreneurs Association of Slovakia and in the same direction as the previous project they run together a new one. The new project is the most recent initiative and the only one that engaged a great number of public and private actors; it took place in 2013 under the name “Twin Entrepreneurs Vienna-Bratislava”. The final recommendations from this project were to educate entrepreneurial spirit in order to pull start-ups, implement transparency and simplify the start-up procedures and improve and strength regional cooperation (Dömötör et al, 2013).

Finally, until the end of 2014, it is estimated that 12 partners from seven urban areas (Bratislava, Budapest, Modena, Prague, Stuttgart, Venice and Vienna) will work together towards creating a unique, integrated, sustainable basis for innovation and entrepreneurship growth across Central Europe through the new project for innovation and entrepreneurship with the name i.e. SMART (i.e. SMART, 2013).

From the private sectors point of view entrepreneurship is an opportunity for collaboration between entrepreneurs in co-working spaces in both cities. The Clusterhaus, Connect and The Spot are some examples of incubators which were founded with the goal of creating a new kind of startup space that combines the benefits of private offices with the networking opportunities of a co-working space at an affordable rate for young entrepreneurs. The co-working spaces offer affordable rent and flexible leasing contracts for young entrepreneurs in offices that are located in central hotspots in the cities, a growing network and educational programs and workshops in specific fields (Clusterhaus, 2014).

The apposition of these findings has clearly showed that there is a great potential for cooperation in the region. However, so far it has failed to implement a sustainable base for common development strategies and activities. Critical factors are different local framework conditions, different starting conditions and development level as well as the small time period that cooperation established (last 20-15 years). Especially, the imbalance regarding the size and the economic power makes the conditions for building the confidence needed for cooperation more difficult. The cooperation with the most promising outlook is CENTROPE. There is no formal decision making procedure that includes both cities thus trust is essential for good and successful cooperation. There is a considerable focus on marketing the region in terms of business and labor environment and educational and knowledge transfer (Stanislav & Zoltán, 2012; Huber & Mayerhofer, 2006).

The following SWOT analysis summarizes the outcomes of the findings after the conduction of the first part of the methodology, the documents exploration and helped on the creation of the questions that were used in the second methodological part, in-depth interviews.

STRENGTHS

- Establishment of a greater market, more important in the European competition
- Location in Central Europe, Vienna from the margin to the center, proximity to the new markets in Europe (the new EU members)
- Mutual economic benefits: Austria can profit from Slovak dynamics, Slovakia can profit from Austrian stability
- Skilled labor forces in the region

-Good location for international investment, attraction of multinationals, but also for investment of firms already settled in the region (expansion)

WEAKNESSES

-Undefined image of the region for the investors (Vienna`s image is old-fashioned and there is a lack of authenticity in marketing activities of the region)

-Unbalanced economic conditions in the 2 national states

-Restrictions for Slovakian workforces on the Austrian side

-Transport infrastructure is weak in the whole region

-The Danube is underestimated as transport connection

-Language barriers (communication in English)

-Average position in the European Range (not in the Top Ten Regions)

-Lack of real cooperation between the cities until recently

OPPORTUNITIES

-Diversity of opportunities for foreign and local investors

-Proximity of the region to growing market

-River Danube

-Vienna-Bratislava airport

-Cooperation between commercial business and research

THREATS

-Different political structure

-Trust issues- lack of transparency in co-operation

-Competitors (other European cities)

-The old fashioned image hindering the diversity as an asset for attractiveness

5.2 Interviews

The conduction of fieldwork raised several interesting issues concerning the focus of the current master thesis. Differentiation of opinions not only in the two cities but also within them emerged great interest. The results are presented in this sub-chapter giving the most relevant quotations according to the specific codes that were selected based on the issues that considered important to be raised.

Innovation and entrepreneurship are acknowledged as really important tools for economic development from both cities.

‘...the city of Vienna is really keen on help also long established companies to stay innovative so most of the grants we have support projects of already long established companies but always with the focus on that they have to have an innovative dimension...’ (Interview: V3)

‘...we have several services for innovation already for years but now we are doing a strategy on it, we are bundling all our services, we are going out to the enterprises asking them what are your needs, what are your interests, what is the market asking... we are interested to support economic development through innovation by motivating enterprises to be more innovative...’ (Interview: V1)

‘...We are focusing on company founders and start-ups and we are helping them to establish their business in a sustainable way so before they found their company or immediately after they can come to us and get a free of cost service in order to think about all the relative questions...’ (Interview: V3)

‘...We also support companies who want to establish their business in Vienna it is the international services we have there so we help them to find the right location to clarify all the insurance questions all the legal aspects we help them to solve the problems and also we have a service for expats...’ (Interview: V3)

‘...we are trying to support really to make innovative especially SMEs to use some new technologies and some new ideas and innovations and so on. It is not so easy ... they are not so focused on the innovation you have to really persuade them that they should do something on this field they should try to find new innovative technologies new know-how how to be more effective...’ (Interview: B1)

What is different is the time period that the two cities started to realize the potentials that can gain from entrepreneurship and develop strategies for entrepreneurs that will help them to compete with the other cities in European and global scale.

‘... the city of Bratislava has a new agenda for entrepreneurship support only almost 3 years agenda, it is something new these services have not been supported before so the starting point was that the city of Bratislava is the most wealthiest and most economical important region of Slovakia and it concentrates a lot of education and scientific capacities of Slovakia and even though we have to cope with a lot of challenges due to the metropolization and globalization processes that is why the

major of the city decide to develop and set up a new strategy and plan of actions to support development of economy in order to compete with other European cities and be more competitive...’ (Interview: B3)

‘... policies for entrepreneurship they were kind of discovered during the EU process because there were policies that you have to take if you want to join the EU you have to follow specific policies you have to respond to kind of challenges these were to support SMEs and entrepreneurship and the other one was research innovation these two topics came after the EU debate and the period of accession around 2004 they established offices like agency for supporting SMEs and they tried to kind of approach innovation either from the research side or support innovation in the firms...’ (Interview: B2)

‘... and that is why we are implementing 5 European projects. First of all to have a clear idea about our potentials what are the different areas of growth, we are developing a lot of mapping analysis and recommendations for local policy makers with what is the potential of growth of our city and what are the fields that we can support for the future, we have created a department, a new department, the first idea was to create a business development department but now the city decided to create an open department of projects and strategy and project development and this department is concentrating mainly financial managers who are working on strategy support of municipality projects that are on the road this moment but mostly these projects concern transport and urban development and entrepreneurship support is just a small part for this department this is something new and this department was created last year in the summer...’ (Interview: B3)

The respondents raised some issues that explain why entrepreneurship is lagging behind in Bratislava in comparison to Vienna.

‘... policy makers speak more about innovation and entrepreneurship but they are not really strong in the implementation so it is not really a wide strategy a working strategy a working organization there are projects more or less but it is not a systematic policy there are individual projects... so compare to the other policies of the region is not dominating still so maybe that is because of the dominance of large investments I mean manufacturing investments they start to attract large investors and the other one strong policy in Slovakia is to the transportation they building highways so again it is not really oriented towards SMEs and enterprises but I am not saying that there is no policy for SMEs I mean relatively to the other policies not so strong...’ (Interview: B2)

‘... it was not dominating policy in the region and even in Slovakia because perhaps you know the investments on research and innovation in Slovakia are really small compare to the GDP so we are not really innovative nation let’s say and it started only few years ago and it was kind of due to the access to the EU...’ (Interview: B2)

‘... there are many young and talented students and that creates some space for further development but there are several stakeholders for example for many Slovak and also Austrian students according to our analysis the entrepreneurship is not a career path, young people did not want to be entrepreneurs also the situation in Slovakia is a little bit worse because the term entrepreneur has a negative connotation for example some

people think that entrepreneurs are thieves they earn money that should not have...’
(Interview: CB3)

‘... there is political will to support this agenda but there is no administrative will to support these projects honestly we are working a few of us on 5 EU projects and other local public-private initiatives that we support and we are only 3 people working on these projects there is political will to support these strategy but not the ability to implement it there is a strategy for instance like global strategy but not a concrete plan of actions we are working on these plans of actions within our EU projects but this is really very in the beginning...’ (Interview: B3)

‘... there is not kind of coherent strategy for innovation and entrepreneurship it is a part of the general strategy but it is only kind of in a paper view in fact there are a few projects, so there is no systematic way of support innovation...’ (Interview: B2)

Through these answers an important matter of scale also emerged.

‘... and we are not competing with Vienna or Paris but with small cities around Bratislava like Brno, it is a real competitor for us and a real partner as well...’
(Interview: B3)

‘... The region is attractive especially because there are many big cities close for example Brno and Budapest also according to our analysis we should not focus only in Vienna and Bratislava but also to Brno and Budapest and prepare some joined initiatives, workshops and platforms for these 4 cities for the young entrepreneurs...’
(Interview: CB3)

‘... Bratislava wants to cooperate not with Vienna but with smaller cities around Vienna...’ (Interview: B2)

Entrepreneurship until now in the case study is promoted through several strategies, events and projects, individually in each city or cross-border ones. Some of them are recent and new so there are not still concrete results and for some of them the opinions of the respondents on how successful they were are different. Also new projects emerged that the desk research did not indicate in the first methodological part.

‘... We also have a particular focus on several niches so we focus on technology oriented companies, creative companies, creative industries, life sciences, ICT and mobility and environmental technology so we have specified the grants for these fields and we also promote the economic location Vienna worldwide so it is also the international services which doing that in order to get to the head of people that Vienna is not only tourism because for most of the people is music and Sisi but we have something else to offer so we are doing operation tours to show that Vienna is also an economic location in Central Eastern Europe. Here we have a new focus on we also try to emphasize that we have a very vivid start-up scene and an important location for start-up in Central and South Eastern Europe...’ (Interview: V3)

‘... we also did some international location marketing for the area and from this and my experience from here with the services for start-ups and companies we have born the idea to do something like that with our sister city Bratislava because we think that there are really good synergy effects and then we found the right partners thankfully and we implemented now this project (Twin Entrepreneurs) for us it was a pilot project also to try to establish a specific service for growth oriented start-ups and I think it was really successful because at the beginning you do not know how the services are going to be accepted or if they are helpful and I wasn’t so sure how it will work out to bring together start-ups from Bratislava and from Austria in one room to work together in their business models and the concept was that we organized these series of workshops and the participants should be 50 – 50 and this worked out quite well...there is an example through these activities and through these contacts in Bratislava they realize that they have a market in Slovakia and they are building up their business up until now in Bratislava what without these initiative they wouldn’t have thought about so this is the best benefit we also learn that there is a great interest from start-ups in Bratislava to situated in Vienna but also we try to inform the Viennese companies how to make their business in Slovakia this is what we try to do on the one hand establish services for company founders that they are growth oriented and on the other hand is to see if they can cooperate and network and the project will finish at the end of this year but we as VBA we have already decided to introduce part of the services that we had there in our standard portfolio we will develop it further in autumn this year we will start a soft incubator in order to really support growth oriented start-ups in a very specific way...’ (Interview: V3)

‘... an innovative project it is looking for SMEs in Vienna looking for SMEs in western region of Slovakia bringing them together talking about issues concerning sustainable development and innovation and then in addition bringing universities which is here the economic University of Vienna and technical university of Bratislava to form together a summer university for 4 weeks where students in addition have the possibility to talk to enterprises and the enterprises have the opportunity to do mini projects with the students things that they could not afford to do them themselves as the human capital is quite high in our region...’ (Interview: V1)

‘... Vienna business agency and Young Entrepreneurs Association of Slovakia they organized some workshops, seminars some individual coaching and they had about 200 participants, the participants were existing entrepreneurs and also young people that would like to be an entrepreneur and the aim was to support these existing companies to grow faster and to show them the right way to expand and to do their business and to avoid general mistakes and of course to the future entrepreneurs the aim was to inspire them to show them some good examples of companies and also some failures that should avoid and also to share experience with each other. The result was that they succeed because some cross border context were exchanged and some cooperation will start in the future but we don’t have the exact numbers because the project ended several months ago so it is quite fresh and it has also some impact that will show the results in the future the main thing was to exchange and share experience so we don’t know how many start-ups will arise...’ (Interview: CB3)

‘... in January last year we finished a 4 year project a really successful one Slovak Austrian oriented for woman entrepreneurs oriented for cooperation between Slovakia and Austria and oriented on exchange of experiences knowledge information finding partners so this was a really successful project as I said oriented on cooperation for both countries to help woman. We cooperate on this with the Vienna chamber of

commerce and in our side I think there was a 67% from the participants that they started their business and in the Austrian part 45% to 50%. Now we have another project it is also for companies but not only focused on cooperation but also transfer of know-how from Austria to Slovakia in the field of ecology we help the companies how to be effective from the ecological point of view...' (Interview: CB2)

'... regiofemme focused on woman entrepreneurs from Vienna and Bratislava and we talked to one Slovak entrepreneur that and she told us that it was for her useless program because they went in Austria but the Austrian companies did not want to cooperate with them. It wasn't successful according to my opinion...' (Interview: CB3)

'... we are trying to merge I would say the results of these R&D institutions into the SMEs and for example next week on Thursday (the interview took place at 10/6) we organize a conference where some scientists will present their results, 6 concrete results, that we are able to use into practice already, it will be organized in this building and it is focused especially on enterprises they can come here and hear the presentations of these 6 concrete results they can use them in their production and after the presentation they can meet these people and they can speak together and see how is going to go on...' (Interview: B1)

'... this project was called Innovmat and the project was focused to the development and after use of the new materials especially in the construction industry ... this was very nice and quit big project and there were involved our colleagues from the Austrian national chamber of commerce the technical university of Vienna and there was Ecoplus an institution that deals with this kind of activities on the side of Austria and from our side we were the chamber of commerce technical university of Bratislava and the Slovak academy of Science...' (Interview: B1)

'... a part of this project was also training of the people that they will lead innovations in the companies because the company if they want to be in line with all the development in the field of innovation they must have a person that is in this following up everything and so on and he or she must understand what is going on...' (Interview: B1)

'... Then we have prepared a guide for the companies that they do not have specialists in the field of innovation the smaller companies because they are not able to pay people for these activities only the big companies can pay people so we have prepared this guide especially focused to the managers of the companies... This was one outcome of the project we organized several conferences, events, activities during the project and through Innovmat we found really good partners in both sides of the borders between the companies and the universities...' (Interview: B1)

'... CENTROPEtt was focused to small enterprises and it was quite long, 4 years the duration, it was under Central Europe Program so not bilateral but included partners from Czech Republic and Hungary too... but I would like to stress one area of these project which was really interesting we have issued the vouchers for the entrepreneurs as a small or micro grants for entrepreneurs through this project and the reason was that they could use these vouchers for cooperation with some R&D institutions which could solve their problems or needs... we tried to find and identify some enterprises that they had some needs and they were not able to solve their needs but they were able to name very clearly what they need and we helped them to find the institutions and they send them their request they solved their request and we have paid with the voucher ... we succeeded and we used all the money and what was interesting in this

program was that lets say the Slovak entrepreneurs could not use the services of Slovak R&D they should go the other R&Ds as for the other entrepreneurs the same so we tried to promote also cross border cooperation...' (Interview: B1)

'... It is a really successful project because it is something that we can observe some concrete results of this project (ie-smart). For our local companies we created last year smart point this is an educational center for training and mentoring services provided to young companies and we have already our first session and last month we finalize this session with the smart campus a big international event where 5 starting companies from 7 European region came in Bratislava and present their business ideas and their business models. It will finish this year but until now it was a really nice experience for the local Slovak companies and for foreign companies because it was innovative for them because they saw how to improve their design thinking while they are developing their business plan...' (Interview: B3)

'... Eco profit, this is a cross-border cooperation project between Slovakia and Austria and the idea was to transfer Viennese environmental management systems to Bratislava and actually today (the interview take place on 17/06) is the final event in the city and we will give some certificates to the companies participating in the program. This program was quite successful but what it was interesting was also to see that Viennese economy is much more developed in environmental management and there is a real caution about these issues within the industries or strategies they are aware that they should improve these activities into the companies. In Slovakia companies are coping with other problems not really environmental issues but financial and survival issues so these kind of activities are for our companies too soon to be implemented they are not really ready for these things...' (Interview: B3)

Really interesting was the approach of the respondents towards CENTROPE, an initiative that was indicated from the first methodological part as the most comprehensive approach.

'... Then in the 2000s about mid 2000s there was this CENTROPE project which is actually an EU project where they organize some conferences, workshops, meetings to think about the joined future of this area but I have not heard anything new about this project...' (Interview: V2)

'... CENTROPE it was good initiative but it is too ambitious to be real we are not like Malmo and Copenhagen or like in France where metropolitan areas are really cooperating together...' (Interview: B3)

'... the CENTROPE initiative and in the 2000s there was a big initiative from the Vienna side so they wanted to cooperate that time but there were no results from this policy so I suppose today there are not so much going on within these two cities there are perhaps a few initiatives...' (Interview: B2)

The side that usually initiates the cross-border programs depends on the project but the answers indicated Vienna as the leader initiator.

'... That depends on the area that you look at, in the research area that I see usually, well it is probably a little bit more on the Austrian side...' (Interview: V2)

‘... The initiation was from Austria, the first thought and the proposal for the project was from Austria and the funds from EU but generally it is not difficult to establish cooperation with Slovakia, Hungary and Check Republic, they are always interested in cooperating with us and bringing their SMEs so it is a kind of knowledge transfer for them...’ (Interview: V1)

‘...Depends on the projects...’ (Interview: CB2)

‘...project by project all partners are active but time to time the leader partner changes...’ (Interview: B1)

‘...they are in general joined and common initiatives...’ (Interview: B3)

Cooperation within the cities and between them takes place in the form of cooperation between several institutions in order to implement the above mentioned entrepreneurial projects.

‘... the partners depend on the field, a very important partner for us is the Vienna Chamber of commerce and in national level the AVE Austrian economic services they are also giving grants and also FFK a national institution which provides grants for technology oriented businesses and with many departments of course within the city of Vienna...’ (Interview: V3)

‘...we are following the triple helix of innovation so we cooperate with governmental institutions, we our self are a public oriented organization and we have close cooperation with universities and other knowledge groups and of course we are close to our members...’ (Interview: V1)

‘...we cooperate either with the chamber of commerce or the embassy of the Austrian republic here in Bratislava...’ (Interview: CB2)

‘...there is cooperation with Vienna board of education, other 6 regions, with the universities like the Comenius University, Technical and Economics University...’ (Interview: B3)

The desired cooperation of the responsible institutions for the creation and implementation of a spherical branding campaign in the field of city marketing strategies that will result to attraction of entrepreneurs as well as tourists occurs in Vienna but not in a great extent in Bratislava until now. There is a sign of cooperation in the field of conference tourism.

‘... We have contact with them, punctual cooperation not a big promotion initiative but from time to time we are doing and organizing events for tourism and economy and we are in regular contact because they also see especially with the start-up locations this is really important for the tourism industry because they think that ok we have this traditional Vienna you can visit but also there is this modern Vienna you can see so we try to interlink each other in this way...’ (Interview: V3)

‘... Without other institutions but strictly for business, we do promotion and advertisement for the city as a really good place to do business. Especially we promote Bratislava as a very interesting region... we are trying to promote of course Bratislava by our trips abroad we take our enterprises abroad and we are trying to attract new ones to come to Slovakia...’ (Interview: B1)

‘... The city of Bratislava has created the Bratislava tourist board that focuses on congress and conferences events we are really interested in these activities but we do not have the spaces for them they are developing a strategy how to create this kind of places because we need infrastructure for these kind of events but unfortunately we do not have any ... we are willing to cooperate for this purposes and we are preparing some plans of actions...’ (Interview: B3)

‘... We never thought about a spherical campaign for tourists and entrepreneurs we have strictly business activities...’ (Interview: CB1)

Setting entrepreneurship and strategies-projects concerning entrepreneurship in the border context between the two cities as a field that can stimulate cross-border cooperation, the respondents reflected on the past history between the two cities, the background of cooperation and the potentials for cooperation in the future as well as the problematic areas.

‘... The change in Europe with the dismantling of the iron curtain was a very important step for the Austrian economy up to that time in general the Austrian economy was a net recipient of Foreign direct investment largely from Germany it was kind of (probably I should not say that) but the Austrian economy was in sketch something like an appendix to the German economy and the changes at that time were important because with that many Austrian companies on the one hand realize that they had a large and attractive market right there right across the border on the other hand they had cheap labor there. They could invest in these countries to outsource or shift out some of the labor intensive production and what they also realize is that there are some historic ties to these areas so Austrian companies, speaking in general now, always found it a lot easier to do business to invest especially in the neighbor countries of Central East Europe than for example the German companies so they realize that there is a kind of common history which is not without problems but I think what was an important factor is that there is some kind of similarities in mentalities and how people think about things... collaboration, integration worked actually quite well from early times on...’ (Interview: V2)

‘...there are two capital cities which happen to be relatively close to each other I think that were some elements which caused some problems. The official policy in Austria was fairly reluctant especially to migrants so there was that fear that people in all over Eastern Europe have their suitcases packed and they just wait for the opportunity to come to invade and to take away the jobs that we have. In economic terms that was also the motivation or these resulted in a regulation that when these countries entered in the EU then Austria negotiated an exception that I think up to 10 years they could keep, limit the flow of labor and this was actually done until the last minute that it was possible... Over 10 years the border between Austria and Hungary and Slovakia

basically to less extent I think to the Check republic were patrolled by the Austrian military there were patrols there to secure the border against an uncontrolled inflow of immigrants...’ (Interview: V2)

‘... The increase in the income levels in the Western Slovakia has ease some of the situation so it is easier now and what we also see now is that when you go to the shops there is not that much of a difference so there is not that strong need any more to go shop across the borders that has pretty much leveled out and that is kind of a sign of normality. The interesting aspect that we see is that there more and more especially Slovak citizens who live in Austria and as Bratislava once was a suburb of Vienna supposedly now some Austrian villages become suburbs of Bratislava and that is an interesting aspect because it goes in the other direction that you could have expect but the reason for that is that Bratislava is so close to the border and land prices are relatively high there so it is really make sense for these people to go across the border...’ (Interview: V2)

‘... well to talk about cooperation with Slovakia is basically first focus on history and that is the most important thing so we were dispersed for almost 3 generations with the iron curtain previous times we were more or less a common empire and now we have this historical gap which is 40 years one generation or one and a half generation away and there is also economic difference that exists. The cooperation with Bratislava to come to your question is existing we have enterprise pool where enterprises are interested in doing business in Austria we forward and contact Austrian enterprises that could relate to them and it is the other way around as well, innovation by it shelf is not followed...’ (Interview: V1)

‘... you don’t have to do these projects because it is functioning anyway it works the way it is... we are basically merged now so it is not a problem for enterprises to do business here in Austria and Vienna or Bratislava, it is functioning...’ (Interview: V1)

‘... I think that there are in many fields many direct contacts with different departments between the city of Bratislava and the city of Vienna also in regional planning in transport planning etc. we are in contact with our partners there YEAS, in the future we will see how can we establish this cooperation in an informal level not through an EU project but I think we could work further this idea to put these companies together and to exchange information...’ (Interview: V3)

‘... there are a lot of potentials for cooperation but we are discovering these fields step by step there is no trust and Austrian policy makers want to cooperate with us but they do not trust our economy and our political situation this is the reality but as i told you Bratislava is an economical and educational pole of Slovakia and therefore there are a lot of potentials for cooperation with Vienna...’ (Interview: B3)

‘... There is a lot of political willingness behind this cooperation but until now is more theoretical or academic concept and it is not working well for the moment but there are some successful initiatives in this concept namely in the automotive sector between Slovak and Austrian companies and research institutions so it created some synergy effect between the cities but it was too ambitious to achieve all the goals and all the ambitions to succeed I think this is really interesting project but in the long term it is in early stages...’ (Interview: B3)

‘... I think there is weak collaboration between these two cities, Austrian entrepreneurs, they would like to expand in Germany because it is easier for them there is no language barrier the market is similar of course for Slovaks it is typical to

expand to Czech because we were one country the markets are similar or the same the conditions are very similar the language is similar also some entrepreneurs have told us that there is negative perception of Slovak companies, Austrian companies sometimes do not want to cooperate with Slovaks is something like less trust...’ (Interview: CB3)

‘... I will say even worse as there is no really a strategy for innovation and entrepreneurship to cooperate with the other countries if you do not have a strategy and you do not know how to do that it is complicated... they (Vienna) want to reach high levels of innovation and entrepreneurship and they will not reach it here (Bratislava)...’ (Interview: B2)

‘...there are projects... or initiatives establishing co-working centers and start-up centers...’ (Interview: B2)

‘... they found out how to cooperate without public support if there is a real potential they find way to cooperate they do not wait for the public hand also the same with the cooperation of the universities in the two cities and also there is this bottom-up way of development with the co-working spaces in both cities that cooperate and do not need our help...’ (Interview: B3)

‘... networking and cooperation between multiple companies I think this is the greatest benefit from clusterhaus. Many entrepreneurs came in a few months (start-ups)...the next step is to connect the individual clusterhauses all together we are not sure at the moment how we are going to do this but this is our main goal to connect companies from Koln, Budapest Vienna and Bratislava and see if there is any match I do not know maybe have customers in Germany and guys from Germany can find development companies here in Bratislava that they want to cooperate with them. But basically what we want to do is the same thing that works well here on the floor we want to expand it. So in terms of cross border cooperation this is something that we want to achieve...’ (Interview: CB1)

The obstacles that interrupt cross-border cooperation in the area are mainly based on the time gap between the two cities on the entrepreneurial development as well as some differences on the administrative levels and the size. Different language is not a problem; they consider their culture and mentality quite similar due to the past history too and Bratislava, as an exception in Slovakia, converge with Vienna in terms of economic levels of development.

‘... Language is not a problem we use English but concerning the EU projects it is complicated structured in order to get it refunded and also based on my experience after working these years with colleagues from Bratislava is that people changed their jobs quite often so you have someone you get time to know him/her and then you have confidence but after one year they are not anymore in the position so you have to start from the beginning. Other obstacles are for example in Bratislava they have completely different structure here in Vienna we have many more initiatives especially for companies that are financed through public funds in Bratislava there are much more initiatives private financed and Bratislava is a smaller city and is not so long in the history of company development as we have and that is why they do not have so

many and so strong structures so when we are cooperating with them it is only private initiative they do not have a similar structure ok it is the chamber of commerce but they also have a different structure it is not obligatory to be a member of the chamber of commerce as it is in Vienna so they do not have one organization cover everything but 3 maybe and it is different structure so you always have to check for the specific actions you want to do who is the right institution for the initiative. The administrative organization depends on the issues you are dealing with because the city of Vienna has more power to decide things than the city of Bratislava because they are at the sub-national level but it depends on the specific things you want to realize but in general impression is that yes the city of Bratislava doesn't have too much power to decide things as the city of Vienna...' (Interview: V3)

'... I think that in the administrative level and the political level there are some problems there but there are also problems in the cooperation between Vienna and Lower Austria so doesn't necessarily has to do with the border... There are obstacles in terms of language. I think many Slovaks speak German especially in the western Slovakia so the problem is really in the other direction very few Austrians learn Slovak or even willing to pick up a few words of Slovak including myself so I always feel kind of guilty when I deal with colleagues so there is some kind of issue but that is probably to large extent the general issue of two populations that speak different languages. In terms of mentality it seems to me that the difference is relatively small so that was one of the advantages as I mentioned before that Austria had early on it was much easier for them to deal with the neighbors especially with the Slovaks.... there is difference in the level of development that is pretty clear which has narrowed in western Slovakia but with the effect in the internal disparity in Slovakia has increased so the disparity in Kosice and Bratislava is more pronounced in eastern Slovakia and western Slovakia is more pronounced than the difference between Vienna and Bratislava which has leveled out... One thing that I find interesting is that in many areas there is actually quite little cooperation across the border in the sense that especially some shops in the one side do not see the population in the other side of the border as their market...' (Interview: V2)

'... There are big differences in the sizes of the two cities and you cannot put them in the same level they are cooperating of course but you cannot put them in the same level...' (Interview: V1)

'... The culture is not that different and we are neighbors so it is not like cooperating with Italy for example where the culture is different. Language is related to the people if the persons that communicate together they can speak either English or we can speak German there is no communication barrier if they do not speak there is a barrier it is subjective because depends on the people. There are some administration barriers but not really important our organization works somehow they work somehow but it is not an obstacle what is difficult is maybe understanding because the chambers that working are different we are smaller and the Viennese is bigger with more departments they are more political and business oriented we are business oriented we do not have many departments so we are more business oriented some chambers has voluntarily membership and some mandatory membership and it is quite different but in general with the communication and collaboration there is not an issue...' (Interview: CB2)

'... Administration of the projects is a problem not from the side of the partners but on the side of the program because usually the administration behind the program is very

complicated and all the rules and the change of the rules because during an 1 or 2 years project EU changes the rules 3 or 4 time so that is terrible how to use money how to do the registration they change it constantly...' (Interview: B1)

'... we do not have specialists in the institutions we need more qualified people in urban development and business support, in Vienna they have a real team of specialists for urban development and entrepreneurship support and we are not an equal partner for them. I wish to cooperate with them but they are really surprised when we cannot respond to their demands and propositions because we do not have the time to do everything that we need to do...' (Interview: B3)

'... the competences are different because Vienna has a special position as a city but also as a state in the federation and we are only a city and a government region and sometimes it is complicated to see which competences are the responsibilities of the city or the region and sometime the competences are not equal in legal framework or create laws but Vienna is much stronger on this and creates somehow an obstacle to do things in cooperation because we do not have the competences...' (Interview: B3)

'...in Bratislava people change too often with the political will so it is sometimes difficult that it will be created something in long term and sustainable...' (Interview: B3)

'... The research indicated that start-up environment is lagging behind there are also some institutions that provide support for start-ups but in Vienna they founded 10 years ago and in Bratislava just a year ago so we have about 10 years difference in the whole start-up ecosystem in Vienna and Bratislava so for example you can see in Vienna there are a lot of companies and initiatives with history and so on but in Bratislava there are new initiatives...' (Interview: CB3)

'... many entrepreneurs have told us that they do not use the programs because they believe that they will not helped them, they think that these programs are useless they say sometimes do not try to help us please let us alone then we can focus on our company on our business. Also lack of information about support programs it is linked to cooperation between initiatives for example start-ups or companies in Bratislava do not know which institution can provide them with the appropriate support there are some people from the Young Entrepreneurs Association provide interesting programs I think they should be more promoted and also an interesting fact is that the term start-up in Bratislava is a popular term nowadays because many young people want to do start-ups and earn money but they do not actually know what start-up means to build a team enter the market it may be linked to weak entrepreneurial education and of course limited existence of finance for both cities...' (Interview: CB3)

'... I think the problem is well there is a mismatch on the hierarchy systems the hierarchy and structure of settlements in Bratislava and Vienna. Vienna would like to cooperate with something bigger there is not the appropriate partner on the other side so this could be a systematic problem... Vienna is in a higher level in the hierarchy so their problems and their strategies and the way they developed is not really matching with Bratislava we have different problems we are smaller country smaller city with different problems I will say and different budgets perhaps there are no real obstacles but this could be problem... Also the cross border initiatives and projects from my perspective are really difficult to run because of the time and the situation today every country has their own problems and they are focusing on their problems they are not still in the position to understand the contribution of an initiative like this I think still

there is a big potential I am sure for that but there are so many problems internally so they focus on their problems...’ (Interview: B2)

‘... If there are any barriers I think is that the two “ecosystems” are not properly linked there are some initiatives like Twin Entrepreneurs which are responsible for the cooperation between the cities and we as clusterhaus are very individual I mean we are based on our ecosystems and we are trying to connect the two clusterhauses we are not responsible for connecting the whole entrepreneurial scene together this is something that it is supposed to happen somehow automatically and we can be a good start I mean if we manage to create some cooperation between the companies within clusterhauses this can emerge into something bigger but I cannot predict what it will be...’ (Interview: CB1)

All these differences on the size of the cities, on the way they approach entrepreneurship, the administrative obstacles, the closed-focused activities from the co-working centers and the issues related to the past (socialism regime in Slovak Republic) differentiate also the benefits that the two cities can gain and how they perceive the results from and the potentials of cross-border cooperation.

‘... I think by now that the relationship is pretty much equal in the beginning this was not the case there were a number of reasons. One of them was that with the change in Slovakia the whole administration changed so all the existing structures the former communist structures were useless and needed to be dismantled and replaced and of course then you get groups and people who do not know what they are expected to do and so on from the area I know this a little bit from the political side in the area of regional policy they were pretty willing to learn from the Austrian experiences I know that there were some kind of contexts some learning How did you do that? How worked did not work? How you implement this structure and also they use some people from the universities in the meantime to establish some of the structures I think there were some objective reasons why this was not equal at the beginning another objective reason is the economic development and that led to kind of something like a sensitivity on the Slovak side to be not treated equal that was a little touchy at these times so even when you integrated someone and joined them you always need to be careful so that you do not step on someone toes by kind of how you assign budgets and things like that kind of treated them equal as equal partners...’ (Interview: V2)

‘... Bratislava is an exception of Slovakia, it is so close to Austria and it profits from all our activities and we profit from Bratislava as well...’ (Interview: V1)

‘...we are stronger in the sense of budget and decision power...’ (Interview: V3)

‘... I think that for sure we cannot compete with Vienna but we can be a partner in the industrial and research fields that we are really good internationally like new materials biomedical engineering or ICT in the environmental engineering as well the creative industry that is progressing in the city of Bratislava and we have a huge potential in this field as well in connection with ICT design and media industry so with Vienna we can find some complementary sectors that could be a good field of cooperation and potential for growth for Vienna as well because they are seeking for some partnerships

and some fields of cooperation but we do not know our forces and potential and what is important is to make some marketing for research institutes for our local companies make events exhibitions business-to-business events. What is important is to know each other to create some opportunities to meet each other and discuss the potentials...’ (Interview: B3)

‘... for Slovak companies Austrian market is a really good start market before entering Germany because it is a similar market and when they successfully perform cross border expansion in Austria they can also move to Germany and Germany is of course the most interesting region for them...for Slovak yes because they are entering a new market entrepreneurs can gain more profit, prices are higher but also very important to say that Austrian customers are focused on quality because we have to offer good and quality product to the Austrian market...’ (Interview: CB3)

‘... More or less is equal because we definitely have stuff that Vienna need we have a lot of great minds in Bratislava and Vienna can definitely benefit from this and on the other side we can learn a lot from Vienna I believe...’ (Interview: CB1)

‘... Bratislava can gain more benefits that is the reason they want to cooperate but now the counterpart do not want really to cooperate I think according to my perspective that they believe that they cannot gain that much from the cooperation. In principle they want to cooperate if they find something, another field, but this is not the field that they want to cooperate. Some fields that they found that we have the same problems and they want to cooperate is the transportation in Danube or environmental problems because Austria is really sensitive with the environment issues ... transportation and ways how to transport and environment these are the two main areas that they want to cooperate...’ (Interview: B2)

‘... the bigger benefits are on the side of the lead partner according to the program the lead partner has more direct benefits but if the benefits come from the activities during the program then it’s very much depends on the partners how they can apply the results of the project in the real life of the entrepreneurs sector or institutional life and we are trying very much to use all the results from the projects and communicate them to the entrepreneurs and the institutions...’ (Interview: B1)

At the end of the interviews a question about the feasibility of the creation of a united institution for the decision making, policy implementation and development of the metropolitan macro region came in line with the previous answers and showed the differentiated opinions in the two cities as well as the difficulties that political issues generate.

‘... I think it will be never possible to have one institution who can say this is like that because there are political areas they are elected they have decision power and we can negotiate and do things together but not one institution... we have to distinguish that we have one the one hand the administrative and political systems but we have on the other hand economy which doesn’t see this border...’ (Interview: V3)

‘... a joined administration actually no I don’t think so but the reason for that is not the fact that they are two different countries this is the visible reason and not the main reason but the key element is something else. There different structures in the city different levels of infrastructure different needs and so on ... I do not think that the border is the decisive element is the official reason probably but the underlying

process I think there are more important reasons... So differences in the interests hold up the development and there is also no unit above them to resolve the issues...' (Interview: V2)

'... they are two different nations two different administrations they are two capitals and if one in the middle says that we are both doing that it would not function anyway it is all working on cooperation agreement consensus and these things and partnerships...' (Interview: V1)

'... it is possible to forget the border absolutely and also the thinking and become united region and this is the case I believe personally because Europe is not about the countries but about the regions today...' (Interview: B1)

'... I think it is possible but in some fields and areas of collaboration to promote start-ups with workshops etc. but not the power to decide considering also the administrative burdens...' (Interview: CB3)

'... they could be a joined institution but I am not sure how it will work there are even other countries which are more similar to each other like the metropolitan region Oresund they have established an institution but I do not think it is working perfectly so I think compare to the Oresund it will be in an even worse situation so for sure they can establish a joined institution an organization but considering the institutional system they have to give power to the new one and take some from the competences and funds from the other institutions so it is politically problematic...' (Interview: B2)

'... For sure they want to cooperate in some fields and projects but to create a common structure a common institution with so much power no. The power of the city is based on elections that change every 4 years it is on the political level and I am so sorry to say that the Slovak institutions are not so ambitious they are happy to survive but they are not really working on long term strategies and visions of our city and region and we are really lacking visioners in the city in Vienna there are far from us but we are working and we hope that this will change and we are not desperate maybe step by step it will change there is a real huge potential for cooperation and the transfer of know-how from Vienna to us...' (Interview: B3)

6. DISCUSSION

As stated in the beginning the starting point of this thesis is that marketing strategies are a vital tool that cities, regions and countries adopt in order to cope with the global competition among cities in the current economic environment. Through the several stages of a city marketing process, assets and attractive characteristics are identified and communicated to the target markets-groups. Literature has indicated four target groups in the city that can be the object of the strategies. These target groups are residents of the city, tourists, investors and entrepreneurs.

Successful examples of cities according to the review of the literature showed that the element of success was based on two facts. Firstly they incorporate in their strategies the four groups mentioned above and focus not only on tourism but also on entrepreneurship. Secondly they identified the right market and scale to compete and perform strategies in collaboration with other cities that may cross the national borders of a country.

The aim of this research project was to apply this theoretical framework in the case-study being selected and it is intended to answer questions through elaborating how the group of investors and entrepreneurs is targeted and if entrepreneurship is or could be a key element in the marketing strategies of the case-study. Furthermore it is intended to answer how entrepreneurship can be performed and develop both cities from the two sides of the borders. In other words how entrepreneurship could be managed in a joint strategy in this border context which generates by default some major or minor differences.

The initial conclusions were extracted by examining literature and official documents from the area that include city marketing strategies and projects dealing with entrepreneurship. The results suggest several observations. Firstly, city marketing strategies are deteriorated in branding campaigns for the cities and focus on tourism industry, appealing investors and entrepreneurs is a side-effect. Secondly, there are many projects in the area concerning cross-border cooperation and entrepreneurship especially after 2000 and 2004 when Slovak Republic became member of European Union. The starting point of every project is that everyone in the area admits the potentials for collaboration and further development in the future. The main priorities of the projects though are in a great extent repeated in every programming period.

In the meantime, there is an initiative, CENTROPE, which tries to be an institution above the two cities, manages the area (including cities from other Central European countries in Czech Republic and in Hungary) and resolves issues that occur among them. The focus of this current thesis, entrepreneurship, is stated clear as a priority from this institution in the documents for the forthcoming programming period 2014-2020, thus is a new goal to be achieved in the area's agenda.

The presented results from the documents indicated that in a great extent indeed entrepreneurship is a field that can stimulate cross-border collaboration between Vienna and Bratislava. The results also indicated that there is a basis of collaboration through the conducted projects and entrepreneurship is a priority for the area for the future. Furthermore, the united institution, CENTROPE, has a considerable power in the area to manage cross-border issues and entrepreneurship.

Further research though in the area and the empirical results from the interviews with experts in both cities that deal with entrepreneurial strategies, individually and in a border context, illustrated some contradictory conclusions.

Taking into account only Vienna, the one part of the case-study, and reflecting on the framework described above, there is a significant match. The city for already many years now has realized the importance of the creation of a start-up scene, with creative and innovative enterprises. Therefore, public institutions in the city with generous funds deal with the promotion of the area as a potential location to establish your enterprise in specific niches, the legal aspects and general advises that you need to solve before or immediately after the establishment of your enterprise as well as the support of existing enterprises to stay sustainable and innovative.

Despite the fact that there are two separate institutions that deal with marketing strategies, the tourist board for tourism and the business agency for entrepreneurship, there is a close collaboration between them in order to escape from the old image of Vienna with the palaces and the classic music and introduce to the market a new modern aspect of the city. This implies that entrepreneurship is incorporated into the city marketing strategies and promoted in an equal level.

Furthermore, the city of Vienna has realized that there are fields, especially after 2000s, in which they can create good partnerships and synergies with their neighbors, Slovaks. For this reason they usually initiate cross-border programs and projects, especially with the help of

European Union, for both cities (Vienna-Bratislava) but entrepreneurship is not such a powerful field that will stimulate further cooperation between the two cities and the existing attempts are quit new and without concrete results. The reasons for this situation are going to be discussed later on this chapter.

Bratislava does not fit in the theoretical framework of the thesis. This does not imply that their attempts to develop entrepreneurship and innovation in the area can be neglected. The activities of the responsible institutions though are separated and deal strictly with business and strictly with tourists without mixing the target groups. There are promotion action plans from the responsible authorities for advertising the area but not a spherical campaign that indicates all the assets.

They are really active especially in the mechanisms and projects that support existing enterprises but yet entrepreneurship support is a new part of city's agenda (only one year before they created a responsible department). Considering the fact that only the last year they incorporated entrepreneurship in the agenda there is no clear strategy for the entrepreneurial marketing. Other dominating policies in the area, in transportation, large-scale investments and manufacturing industry, lead to a few initiatives and projects for entrepreneurship but no a clear strategy. Furthermore, lack of specialized and qualified persons in the city (only three persons work with the projects in the responsible new-established department) makes the situation even worse.

As expected the size of the cities not only in terms of population but also in terms of administrative level indicated some problems that did not make entrepreneurship a field of interest for further collaboration. Therefore, the importance of scale in which a city competes or collaborates is a crucial element in this case-study. Bratislava can be compared with other cities around Vienna or other smaller ones in the area of Central Europe despite the fact that they are both the capitals of each country and the wealthiest cities of each country. Moreover, the size influences the needs as well the capabilities of the city in terms of qualified persons, budgets and goals that they want to achieve. For instance, when enterprises in Bratislava try to cope with survival and internal issues, innovative models of production come in second place.

Similarly the size and organization of institutions interrupt further collaboration especially in terms of power that the Viennese institutions have as a part of the federal system in Austria. They have more decision power and implementation power, they find easier funds and they

are in a great extent independent. In contrast, municipality of Bratislava operates in sub-national level and needs more time to deal with these issues. In relation to that political issues that change the responsible persons in the public institutions every four years (after elections) weaken collaboration that should start from the beginning. Sometimes because the system is different there is a mismatch in the institutions and the responsibilities among the two cities which makes harder to find the right partner for the implementation of a project.

All these factors create miss-trust from the Austrian side, from the Austrian institutions and entrepreneurs according to the respondents. The mal-function of collaboration in terms of entrepreneurship between the two cities leads the private initiatives to perform cooperative activities closed and strictly business oriented. An example that comes in line with this observation is the co-working spaces (Connect, the Spot, Clusterhaus) in the two cities where people perform cooperative activities whenever see an opportunity for collaboration without waiting the public help or the public funds.

Though cross-border cooperation in terms of entrepreneurship is weak and underdeveloped or at least at an early stage, the existing background of collaboration in the two cities cannot be neglected. Many similarities in their past and common history as well in mentality and culture are an important basis for further development. Moreover, this unique geographical proximity between two capital cities in the European territory and daily transactions between residents and entrepreneurs overcome the barriers from the historical gap between them during the iron curtain period. Language has not been mentioned as a significant barrier. The development level has been leveled out as Bratislava is an exception in the territory of Slovak Republic. It is more similar with Vienna rather than the rest of Slovak smaller cities. Some people said that even the projects are not necessary because it is functioning anyway and they are practically merged.

Due to the fact that Vienna is in a more powerful position and usually choses the fields of interest that can gain benefits through collaboration and sets the proposals. The levels of entrepreneurship and innovation that Vienna wants to reach are high and that is why searches more equal partners for this field. However, there are other fields that stimulate cross-border cooperation. The fields that are examples of collaboration are transportation in general but also transportation of goods and products in the Danube River as well as environmental protection. This does not imply that Bratislava is exploited, rather than they gain many benefits especially in terms of learning processes and transfers of technology and know-how.

Furthermore, Bratislava has always willingness to cooperate and gain benefits from the neighbors which makes her also active in the initiation of projects.

Until now it is generally acknowledged by both cities the importance of collaboration and all the benefits that can gain from these activities. Indeed, the feeling of threat in employment levels that Vienna had at the beginning of 2000 and tried to control the labor flows from Central East Europe with agreements and patrols in the borders is in the past. Similarly, the feeling of Bratislava that it is treated unequally is as well in the past. Sometimes one city will gain more benefits, depending on the projects, the goals, the leader partner and the implementation of the results afterwards and sometimes the other. Exploration of the fields that can be further developed bilateral step by step, negotiation, consensus and agreement are the general approach in the topic of entrepreneurship from both cities.

Comparing all these findings there is match in the initial assumptions and the final results. Coming to the first part of the research question of the current thesis entrepreneurs and investors in the area are targeted through several projects that indicate beneficial locations for establishing a business, funds and grants in order to use them in their business models, new innovative production structures and ecological materials, working spaces with many opportunities for networking, events and conferences where training and coaching help people to choose entrepreneurship as a career path and platforms in order to inform foreign people for the legal aspects in doing business in a new country. The outcomes from these activities are positively accepted from the local authorities and they see rise in the start-ups in some extent but the main benefit is the exchange of knowledge and technology between the two cities as well as education of the labor forces in order to know exactly what entrepreneurship means.

Entrepreneurship is a key element of the Viennese city marketing strategies as the start-up scene is promoted, at least the last years, as a new and important asset of the city. For the whole border metropolitan region is not possible yet to incorporate entrepreneurship in the city marketing strategies as the interviews indicated a number of issues that Bratislava has to deal with first. Based on the fact that Vienna has adopted this framework, on the willingness of Bratislava to create and develop a start-up scene and on the potentials of the area that are generally acknowledged, entrepreneurship could be a key element of the marketing strategies in the area in the future.

A contradictory result that the interviews indicated in comparison to the document exploration is the institutional issues that interrupt collaboration. Firstly, there is a general opinion that the CENTROPE initiative did not succeed in the management of the metropolitan area and as a united institution set ambitious goals for the collaboration between the cities and difficult to be achieved. From their point of view such an initiative demands power from other local institutions. Politics and elected persons in each city will not allow such a powerful mechanism that can define specific actions and what both cities should or must do for several topics in the metropolitan region. Characteristic phrases from the respondents “we are not like Öresund” or “even in “Öresund this does not work perfectly so imagine here” showed that the successful examples described in the beginning of this thesis cannot be transferred in the context of this current case-study. However, it is worth to mention that there is a positive approach for the future that indicated the idea that European Union will be based in the long-term in regions and not in countries thus the border line will be somehow vanished.

Coming to the second part of the research question of the current thesis, management of economic activities such as marketing and entrepreneurship in a border context confront obstacles due to institutional issues. Namely, the partnerships are built when both sides gain benefits and in the case of entrepreneurship, on the one hand Bratislava is lagging behind and on the other hand Vienna searches for higher levels of entrepreneurship and innovation to collaborate with. The private initiatives in the area that work in the border context enhance this argument. Without public intervention and the political issues as an obstacle, entrepreneurial environment is developed and networking and opportunities exceed the border lines.

The purpose of this thesis was to apply in a case study a contradictory chain of theoretical concepts. In particular, this chain starts from global competition between cities, leads to the implementation of strategies to help them rise in the global rankings and ends up in cooperation due to the definition of the appropriate scale to compete or cooperate. The contradictory character of the theoretical concepts is also the fact that makes the results of the thesis interesting. Everyone realize the importance to compete and promote unique assets in order to appeal target groups. One step further everyone adopt strategies to promote these assets in different ways and with different tools. At the end everyone realize the potentials to gain more if they implement cross-border strategies that enhance the city and the region. But this is the point that the chain somehow brakes as political and institutional differences as well as issues of power interrupt collaboration.

The most important aspect of this conceptual framework applied in this case-study is that research revealed the field of entrepreneurship and the scale of cooperation as not correctly defined. Bratislava is at the very beginning, Vienna is already a tradition on the start-up scene, as a consequence there are not mutual benefits from the collaboration and thus it is not promoted. Furthermore, the size (not only in population but also in administrative level, hierarchy of the cities, needs and capabilities) is a decisive factor that interrupts collaboration and reveals the need to compete and cooperate in different scales with more similar partners.

Re-thinking the theory, literature and methodology followed in this thesis there are some aspects that they will be performed differently. The most important aspect of the conceptual framework which could be treated different after this “second thought” is from a methodological standpoint. It would be really interesting to add a mixture of qualitative research methodology (that already conducted) with quantitative one. Comparison or analysis of some numbers in start-ups for example before and after the implementation of the projects will show a better overview of the area in terms of entrepreneurship.

Although we have successfully examined the case study and answered the research questions, it is fully acknowledged that the thesis has limitations. This thesis has delivered a good insight to the rising turn in entrepreneurship in Vienna and Bratislava and the management of it in this unique border context. However, in the end, the conclusions could not give detailed explanations about entrepreneurship and institutionalization in a border context in other environments. Besides, it should be reflected that this study covers stories from public and private institutions in the two cities but not every detail of the micro-politic interactions between the cities’ actors and entrepreneurs. This is because this thesis uses the policy perspective to test the research questions; as if analysis is done at the firm level, there will be different deepness of analysis.

Some general points to consider for policy implications based on the findings have to do with promoting the development of entrepreneurship as a mechanism for the improvement of both cities. These points are summarized in the following categories and concern mainly Bratislava as it is the city with the major needs; (1) realize the importance of entrepreneurship in the economic contribution (2) indicate entrepreneurship as a priority in the municipal and regional level (3) set a framework (the national and supra-national level) to determine the policy directions for the local governments (4) attract high level of human capital with knowledge on entrepreneurship and innovation issues (5) improve quality standards of living and infrastructure that enables entrepreneurs to travel. (6) support existing enterprises in a

sustainable and innovative way (with a focus on education, training and networking) (7) improve the understanding of the concept of entrepreneurship and what a start-up means (8) balance between the successful private initiatives and the public ones (9) communicate entrepreneurial achievements to the society (10) involve in every step of the procedure universities and R&D institutions and (11) acknowledge where are the potentials for start-ups, keep in mind that it is not a trend.

7. CONCLUSIONS

Concluding, the purpose of this master thesis was to apply in a specific theoretical and conceptual framework a case-study and examine how this case functions. The starting point was the competition between cities in the current globalized economic environment in order to emerge in the global and European rankings. Tools and strategies that are employed from the local authorities in order to promote each city's assets include city marketing strategies that target specific groups of actors within or outside the city. Furthermore, competition indicates also the need to cooperate and identify assets that may cross the borders of national level in order to make more powerful and dynamic your city.

Considering the focus of this particular thesis on entrepreneurs and investors (the two out of the four city actors), theory, literature and research methodology were used to examine how the group of investors and entrepreneurs is targeted and if entrepreneurship is or could be a key element in the marketing strategies of the case-study. Furthermore, how entrepreneurship can be performed and develop both cities from the two sides of the borders, in other words how entrepreneurship could be managed in the border context of Vienna and Bratislava metropolitan macro region.

For this purpose firstly theoretical framework behind city marketing strategies, entrepreneurship as an objective of these strategies and management of entrepreneurship and city marketing strategies in a border context was reviewed. Moreover, successful examples according to the literature, of city marketing strategies that use entrepreneurship as a key element as well as are implemented in a border context were reviewed. Familiarization with the case-study in general (population, economical level, local characteristics) but also in terms of entrepreneurship was considered crucial before the implementation of the research methodology in order to have the researcher a general overview of the area.

In order to examine the main research question of the thesis qualitative research methodology connected with a case-study was employed and distinguished in two parts. In the first part there was a critical reflection on official documents that deal with entrepreneurship and cross-border cooperation in the field of entrepreneurship in order to give to the researcher an overview about existing information in the area or what is in the future agenda. This vital knowledge for the field of interest in the thesis led successfully to the second methodological part. It was the basis for the search for experts that can be the potential respondents for the in

depth interviews as well as the basis for the creation of the appropriate questions. After the implementation of both methodological parts and the analysis of the data that occurred interesting results and conclusions extracted and presented in the respective chapters.

Summarizing the main results from the first methodological part in the following points, we can say that:

- The area is active in performing projects and programs especially after 2004 when both countries were members in European Union.
- There is a general acknowledgment that there are great potentials in the case-study for further development.
- The projects have specific action plans for entrepreneurship in the forthcoming programming period 2014-2020, thus is a field for development in the future.
- The majority of the projects in a great extent repeat their priorities which may mean that they are not achieving their goals.
- There is an initiative for a united institution that can manage the area (CENTROPE).
- Entrepreneurial and business activities are not connected with city marketing strategies.

Combining though the main results from both methodological parts in the following points, we can say that:

- There is a gap between the two cities in terms of entrepreneurial environment, Vienna has established a start-up scene already for ten years now but Bratislava is at the very beginning.
- There is also a gap in the links between entrepreneurship and city marketing strategies as Vienna incorporates entrepreneurship in the new image of the city and try to promote the location as a business one but Bratislava has separate activities focused only on tourists.
- Entrepreneurship is acknowledged from both cities as well as from EU cross-border programs as an important idea that development can be based on but the concept of entrepreneurship does not fit in joint strategies for several reasons.
- Many reasons were indicated as obstacles for collaboration in the field of entrepreneurship, mainly the time difference and lack of qualified persons in that direction in Bratislava but also the difference in size which generates different needs, capabilities, budgets, administrative level, political power and implementation power.

- These differences indicated the need for competition and collaboration in a re-defined scale with re-defined partners for both cities, smaller cities for Bratislava and cities with a higher level of entrepreneurship for Vienna.
- Entrepreneurship is not a common field for cooperative activities but we cannot neglect the existing background of collaboration between the two cities in other fields of interest such as transportation and environmental protection.
- In the extent that these cooperative activities are performed both cities gain benefits from each other.
- The indicated institution (CENTROE) was too ambitious to achieve its goals and there is not after all a common decision maker for the area.
- Though the creation of an institution with so much power is not feasible or possible.
- The malfunction between the public institutions in the field of entrepreneurship has led the private initiatives to cooperate in the co-working spaces in the area without public help and strictly business oriented, closed in their clusters of enterprises.

From these conclusions there are two main points that should be emphasized especially for further research. The first one has to do with the size and the re-definition of the appropriate scale. From this thesis conducted that the scale in which you can perform cross-border activities is one of the most important factors that help or interrupt collaboration. Based on this it will be interesting to search for more appropriate partners in Central Europe for both cities. Already the respondents indicated that Bratislava can better compete and cooperate with smaller cities around Vienna or in Hungary/Czech Republic and Vienna tries to create links with partners with high levels of entrepreneurship and innovation.

The second point for which may further research is needed to obtain concerns examining the links between the two cities on firm and enterprise level. It was indicated that between the co-working spaces in Vienna and Bratislava there is a vital exchange of knowledge, technology, business models and production structures but most importantly networking. In particular, they connect the business ecosystems in the cities. Practically, in the private sector entrepreneurship is an actual field of interest that stimulates cross-border cooperation. Examining these links may help to bring a balance between the two sectors and connect the general ecosystems in Vienna and in Bratislava.

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APPENDIX

Guide for the interviews

The questions were categorized depending on the respondent and not all of them were used in every person. This is a guide with all the questions asked during the interviews.

Q1: What are your position and the activities of your department?

Alternatively: What are your position and your research interests?

Q2: What is the general approach of Vienna towards innovation and entrepreneurship?

Alternatively: What is the general approach of Bratislava towards innovation and entrepreneurship?

Q3: When the links to innovation and industries become part of your activities?

Q4: What is the general approach of Vienna towards appealing investors and entrepreneurs? (Strategies)

Alternatively: What is the general approach of Bratislava towards appealing investors and entrepreneurs? (Strategies) Or: Do you have specific strategies to appeal new entrepreneurs and investors in the area? Or: Can you name strategies that try to appeal entrepreneurs?

Q5: With which other institutions in Vienna you cooperate for this purpose?

Alternatively: With which other institutions in Bratislava you cooperate for this purpose

Q6: Have you considered a joined branding campaign with other institutions in Bratislava and in Vienna for example the tourist boards, in order to emerge start-ups?

Q7: What is the situation of collaboration between the two cities in terms of entrepreneurship?

Alternatively: What is the situation of collaboration with the respective department in Vienna?
Or: What is the situation of collaboration with the respective department in Bratislava?

Q8: Can you name some joined activities?

Q9: What are the benefits from these projects? New start-ups emerged?

Alternatively: After the creation of the Clusterhaus can you name some benefits? After the conduction of the project Twin Entrepreneurs did the number of start-ups rise?

Q10: Which part usually initiates these joined activities?

Q11: Are there any differences in values, behavior or organization of institutions that could be an obstacle for cooperation? Or cultural differences?

Alternatively: Can you name some obstacles that interrupt collaboration? Or: Do cultural differences affect cross border cooperation processes? Is language a problem?

Q12: Do you consider this partnership equal? Both cities gain benefits?

Q13: Will be feasible to create a single institution for the management of the metropolitan region for the decision making and policy implementation?

List of respondents

# ⁶	NAME	DATE	STATUS	QUESTIONS
V1	-	06/06/2014	Member of the innovation team in the Vienna Chamber of Commerce and Industry	Q1, Q3, Q4, Q5, Q7, Q8, Q10, Q11, Q12
V2	Gunther Maier	06/06/2014	Faculty member in the Vienna University of Economics and Business, the chair of the institute for Environment and regional development, the director of research institute for location and real estate research	Q1, Q2, Q4, Q7, Q10, Q11, Q12, Q13
V3	Gabriela Tatzberger	12/06/2014	Department manager for the department of start-ups and company founders in Vienna Business Agency	Q1, Q2, Q4, Q5, Q6, Q7, Q9, Q10, Q11, Q12, Q13
B1	Juraj Majtán	10/06/2014	Director of the Slovak chamber of commerce and industry	Q1, Q2, Q4, Q6, Q10, Q11, Q12, Q13
B2	Stefan Rehak	16/06/2014	Associate professor at the department of public administration and regional development at the university of economics in Bratislava	Q1, Q2, Q4, Q7, Q11, Q12, Q13
B3	Lubica Jean-Jean	17/06/2014	Project Manager - Business and Innovation Development in the City of Bratislava	Q1, Q2, Q4, Q5, Q6, Q7, Q10, Q11, Q12, Q13
CB1	Pavol Sovis	09/06/2014	Local partner of Clusterhaus and owner of the enterprise Bonetics	Q1, Q6, Q7, Q9, Q10, Q12
CB2	Ivana Kondasova	10/06/2014	Project manager and head of Foreign Relations in the Slovak chamber of commerce and industry	Q1, Q5, Q6, Q7, Q9, Q10, Q11
CB3	Ludovit Srenkel	11/06/2014	Lecturer at the University of Economics in Bratislava at the department of corporate finance, researcher in the project Twin entrepreneurs	Q1, Q2, Q4, Q7, Q8, Q9, Q10, Q11, Q12, Q13,

⁶ The abbreviations correspond to the three families created in the data analysis: V for Vienna B for Bratislava and CB for Cross-border.