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Book Review- Entrepreneurial Neighbourhoods

Towards an Understanding of the Economies of Neighbourhoods and Communities

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Abstract

Literature doesn't address the importance of neighbourhoods despite its growing importance for entrepreneurial development with minimal resources. There is a clear shortage in addressing the topic from multi-disciplinary perspectives that highlight the importance of local entrepreneurship across different borders.

van Ham et al (2017) work comes to explore how entrepreneurship can influence transformation in neighbourhoods and communities, particularly through entrepreneurially driven residents who can help in reducing socio-economic instability and poverty.

Future effects of neighbourhood entrepreneurs are explored along with the challenges it brings specially to low income neighbourhoods and how it reflects even on the economics of the places. A recommendation for further studies be done in different geographies in order to bring in more global solutions that would enhance the innovation and creativity of rural areas of many developing and emerging economy countries.

Keyword: Entrepreneurship, Entrepreneurial Neighbourhoods, Resilience Economy, Low Income Neighbourhoods, Future Foresight

Introduction

This book selectively and brilliantly integrates between entrepreneurship and neighbourhoods or communities. It sheds a light about the importance of neighbourhood entrepreneurship to the socio-economic outcomes compared to other classical, technology driven and youth related entrepreneurship programs.

Effects of Neighbourhood Entrepreneurs

Neighbourhood entrepreneurs (NE's) typically fall under the category of microbusinesses or called sometimes as micro-start businesses where they would have low initial capital with

less than five employees. However, these microbusinesses contribute to 31% of the total employment of all private sector employment nationwide. The effects of microbusinesses are amplified and of particular relevance to low-income neighbourhoods. The influence of NE's goes beyond financial returns or the capitals employed, it actually causes social stability, community engagement, enhance society trust and most of all increase individuals and organisations resilience (Buheji, 2018).

Challenges of Low Income Neighbourhoods

Entrepreneurs in low-income and minority neighbourhoods encounter numerous problems in securing their capital needs. However, the discussion today is more about program-related investments. Lack of capital is consistently cited as one of the top reasons leading to business failure. But accessing capital in distressed neighbourhoods, particularly by small communities is very challenging.

Given the entrepreneurial neighbourhoods lack of access to traditional sources of capital, there may be benefit from non-traditional sources including private and institutional venture capital investors funding “neighbourhood” entrepreneurs.

The nonfinancial motives of venture capital decisions motives include a willingness to accept a lower return in order to support local economic development and minority entrepreneurs. Entrepreneurial neighbourhoods even though might be weaker in professional networking they are very strong in informal networks. However, neighbourhood entrepreneurs don't have the capacity to connect with the investors.

Role of Entrepreneurial Neighbourhoods in Future

Future foresight sees that new generation of businesses success would depend on how much it manages to deliver unique care to its customers. Entrepreneurial neighbourhoods would have higher equality in working with people regardless of their race, age, colour, religion and ethnicity. Entrepreneurial neighbourhoods help also immigrants and non-residents to develop their businesses allowing potential entrepreneurs to formalize their businesses and goals.

Entrepreneurial Neighbourhoods Creativity

Entrepreneurial neighbourhoods need more than ever today creativity to help the beneficiaries capture opportunities of the many localized spaces that build collaborative sharing economy. Living labs help neighbourhood entrepreneurs to be more focused, open, collaborative and knowledge sharing (Buheji & Ahmed, 2017).

The work of van Ham et al. (2017) and his team represent many best practices in entrepreneurial neighbourhoods from UK, Holland and USA, including states as Detroit. As a reviewer, one could see the book missed a great opportunity of studying the influence of emerging economies neighbourhoods.

Neighbourhoods as Economic Places

In order for neighbourhoods to generate benefits in low income and minority communities, new ventures need to overcome the problem of limited access to capital and effectively

spread risk between the entrepreneurs and the funding entities. However this means that each neighbourhood is expected to build on its legal, financial and non-financial resources and to contribute to its community entrepreneurial efforts.

Conclusion

Entrepreneurial neighbourhoods' is a multi-disciplinary economic cluster book that help to build a collective entrepreneurial spirit through entrepreneurship planning, urban planning, housing studies, economical studies and sociology.

The book calls for opportunities that cities and communities could use as a new niche as the economy increasingly rewards knowledge, innovation, and entrepreneurship. But the authors transparently admit that despite such programs many neighbourhood still face the troubling legacy of persistent poverty and racial separation as well as the continued decentralization of economic and residential life.

Due having many economies in transition while having an aging population, entrepreneurial neighbourhoods is of high importance. van Ham et al. (2017) work challenge us to see even the economic relevance of urban policies and how it addresses communities and cities needs and demands. Achieving this objective will not only improve the condition of cities, but it would even substantially improve the whole national economy.

Due to consistent demographic changes, diverse approaches is needed to address the entrepreneurial needs. The book calls for a total review for the way education, training, wages, financial services, health care, and housing services are delivered and it should be in order to build the future entrepreneurial neighbourhood. The authors of this book managed to illustrate more life opportunities that shows role of urban residents for both local and national economy.

This book is highly recommended for postgraduates studying entrepreneurship, innovation, creativity, social psychology, behavioural economics, community urban planning engineering and change management. It very suitable book for those who work on spreading non-classical economies and work in foresighting a better socio-economic future and strive for it.

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