

**Resource Orchestration as
Source of Competitive Advantage of Cities –
Empirical Studies of Business Improvement Districts
in New York City and the City of Hamburg**

vorgelegt von

Nadja Berseck

Master of Science in Economics and Management

geb. in Magdeburg

von der Fakultät VII – Wirtschaft und Management

der Technischen Universität Berlin

zur Erlangung des akademischen Grades

Doktor der Wirtschaftswissenschaften

– Dr. rer. oec. –

genehmigte Dissertation

Promotionsausschuss

Vorsitzender: Prof. Dr. Frank Straube

Erstgutachter: Prof. Dr. Dodo zu Knyphausen-Aufseß

Zweitgutachterin: Prof. Elke Pahl-Weber

Tag der wissenschaftlichen Aussprache: 09.01.2018

Berlin 2018

Abstract – Deutsch

Inmitten des aktuellen Urbanisierungstrends bietet diese Dissertation eine Antwort auf den Aufruf der Management-Community, sich wieder auf reale gesellschaftliche Problemstellungen zu konzentrieren. Der erste Managementforscher, der sein Modell zur Entwicklung von Wettbewerbsvorteilen von Firmen auf Nationen, Städte oder Orte im Allgemeinen anwandte, war Michael Porter. Seither bestimmen Forscher der Volkswirtschaftslehre, Wirtschaftsgeographie, Soziologie und Stadtplanung die Diskussion zur Wettbewerbsfähigkeit von Städten. Die vorliegende Arbeit zeigt, dass die Disziplin des Strategischen Managements, über die Porter'schen Konzepte hinaus, durchaus zur Frage, wie Städte einen Wettbewerbsvorteil aufbauen und dauerhaft erhalten können, beitragen kann.

Häufig führt nicht alleinig der Besitz von wettbewerbsrelevanten Ressourcen zu kompetitiven Vorteilen; städtische Verwalter, politische Entscheidungsträger und andere Praktiker, die sich mit dem strategischen Management ihres Ortes beschäftigen, brauchen Fähigkeiten, um Ressourcen effizient zu nutzen und sich an wandelnde Umweltbedingungen anzupassen. Eine Ausweitung der Erkenntnisse der ressourcenbasierten Theorie, insbesondere des Modells der Ressourcenorchestrierung, auf die Analyse der Stadt, kann helfen die Frage zu beantworten, wie Städte langfristig Wettbewerbsvorteile erlangen. Diese Arbeit entwickelt ein vierstufiges Prozessmodell zur Entwicklung und Anwendung von Managementfähigkeiten im urbanen Kontext, welches (a) das Strukturieren von Ressourcen, (b) das Bündeln dieser Ressourcen zu Fähigkeitskonfigurationen, (c) das wirkungsvolle Einsetzen dieser Fähigkeitskonfigurationen und (d) die kontinuierliche Synchronisierung jeder Aktivität umfasst.

Diesem Modell wird seine spezifische urbane Form durch seine empirische Untersuchung in Business Improvement Districts (BIDs) gegeben, ein sich international verbreitendes städtisches Governance-Tool. Die erste empirische Studie betont eine besonders

wichtige, ortsspezifische Ressource, nämlich das Sozialkapital, und untersucht die einzigartigen Beziehungen zwischen Sozialkapital und Ressourcenbündelung auf der Grundlage von Archiv-, Interview- und direkten Beobachtungsdaten von 12 BIDs in New York City. Die Ergebnisse deuten darauf hin, dass jede Komponente des Ressourcenbündelungsprozesses als Mediator zwischen Sozialkapital und der Fähigkeit des BID zur Quartiersentwicklung beizutragen fungiert.

Die zweite empirische Untersuchung fokussiert sich auf das Capability Leveraging, also das wirkungsvolle Einsetzen von Fähigkeitskonfigurationen, und erforscht diesen Ressourcenorchestrierungsprozess anhand von 15 Hamburger BIDs und ihren Beziehungen zur Stadtverwaltung. Mithilfe eines qualitativen Forschungsansatzes werden Koordination, Strategieentwicklung und -umsetzung zwischen öffentlichen und privaten Akteuren analysiert. In Abhängigkeit von den jeweiligen Sozialkapitalkonfigurationen der BID-Stadt Beziehungen, werden verschiedene Leveraging-Ansätze und kollaborative Ergebnisse identifiziert. Durch die Fokussierung auf Partnerschaftsnetzwerke, inhärente Interessen und Fähigkeiten, welche öffentliche und private Akteure in die Lage versetzen (oder dran hindern) zusammenzuarbeiten, leistet die Studie einen wichtigen Forschungsbeitrag, da sie den gesamten Prozess, wie öffentlich-private Kooperationen gemanagt werden, theorisiert.

Insgesamt leistet diese Dissertation einen Beitrag zur Theorie und Praxis des strategischen Managements von Städten und BIDs. Der Fokus verschiebt sich von der Betrachtung von Städten und ihren Untereinheiten als Black Box, in welcher bestimmte Inputs zu Outputs verwandelt werden, auf die Entwicklung von Fähigkeiten für Politiker, Verwalter und weitere städtische Stakeholder. Diese erlauben es ihnen ihre Ressourcen effizient zu nutzen und Strukturen zur kollaborativen Zusammenarbeit zu schaffen. Hiermit zeige und erkläre ich, wie Orte ihre Entwicklungspfade durch bewusste Managementmaßnahmen beeinflussen können, um ihre Wettbewerbsfähigkeit zu erhöhen.

Abstract

This doctoral dissertation responds to the call on the management community to refocus on real-world problems amid the current trend towards increasing urbanization. The first strategy scholar, who applied his model of competitive advantage of firms to nations, cities or places, was Michael Porter. Since then, scholars from other disciplines such as economics, economic geography, sociology and urban planning took over the debate on the competitiveness of cities. In this thesis, I make a first step and show that the field of strategic management can indeed contribute to the question of how cities can achieve a sustainable competitive advantage beyond the Porterian concepts.

Mere resources are frequently insufficient to generate competitiveness in our increasingly demanding world; urban administrators, policymakers and other practitioners concerned with the management of their place need capabilities to use resources efficiently while adapting to their changing environments. Therefore, I argue for the value of extending the resource-based theory – especially, its dynamic refinement, the theory of resource orchestration – to answer the question how places can achieve a sustainable competitive advantage. I develop a four-step process framework of strategically managing resources and developing capabilities that includes (a) structuring their resource portfolio, (b) bundling resources to capabilities, (c) leveraging capability configurations and (d) continuously synchronizing each activity.

I try to give this model its specific urban shape by zooming into the city and empirically applying it to the internationally growing urban governance tool of Business Improvement Districts (BIDs). The first empirical study emphasizes one particularly important, place-specific resource, namely social capital, and examines the unique relationships between social capital and resource bundling based on archival, interview and direct observation data of 12 BIDs in New York City. The findings suggest that each component of the resource bundling process mediates between social capital and the BID's capability to function as community development entity.

The second empirical study focusses on capability leveraging and elaborates this resource orchestration step in the context of 15 BID-government relationships in the City of Hamburg. This chapter advances qualitative research to disentangle the actual processes of strategy development, coordination and implementation between public and private actors. It identifies different leveraging approaches and collaborative outcomes depending on the social capital configurations of the BID-government relationships. By focusing on the partnerships' networks of relationships, inherent interests and capabilities that enable (or inhibit) public and private actors to work together, the study makes an important contribution to the literature, theorizing the entire process of how public-private collaborations are strategically managed.

Combined, this dissertation informs theory and practice on the strategic management of cities and BIDs. The focus shifts from viewing them as black box, through which certain inputs flow to become outputs, towards the development of capabilities for policymakers, administrators and practitioners that allow them to utilize resources efficiently and establish structures to work collaboratively. Hereby, I show and explain how places can affect their development trajectories through conscious managerial actions taken to increase their performance.

Contents

Abstract – Deutsch.....	I
Abstract.....	III
Contents	V
Figures	VIII
Tables.....	IX
Abbreviations.....	X
1 Introduction	1
1.1 Relevance and Objective of this Dissertation	1
1.2 Theoretical Background	6
1.2.1 <i>Resource-Based Theory and Resource Orchestration Theory</i>	7
1.2.2 <i>Social Capital Theory</i>	11
1.3 Research Design of Empirical Analyses	15
1.4 Structure of the Dissertation.....	16
2 Different Perspectives on City Competitiveness.....	18
2.1 Discourse on City Competitiveness	18
2.2 Theoretical Foundations of City Competitiveness	21
2.2.1 <i>Trade and City Competitiveness</i>	22
2.2.2 <i>Localization and City Competitiveness</i>	24
2.2.3 <i>Knowledge and City Competitiveness</i>	25
2.2.4 <i>Clusters and City Competitiveness</i>	26
2.2.5 <i>Institutions, Culture and City Competitiveness</i>	27
2.2.6 <i>Holistic Models of City Competitiveness</i>	29
2.3 BIDs and City Competitiveness	32

2.3.1	<i>BID Level</i>	33
2.3.2	<i>Community Level</i>	34
2.3.3	<i>City Level</i>	35
2.3.4	<i>Trans-local Level</i>	38
3	Resource Orchestration as Source of Competitive Advantage of Cities	40
3.1	Introduction	40
3.2	Theoretical Background: City Competitiveness and Resource Orchestration	43
3.3	Dynamic Resource-Based Model of City Competitiveness	46
3.3.1	<i>Structuring the Resource Portfolio</i>	47
3.3.2	<i>Bundling Resources</i>	53
3.3.3	<i>Leveraging Capabilities</i>	58
3.3.4	<i>Synchronizing and Sustainable Competitive Advantage</i>	62
3.4	Discussion and Conclusion	63
4	The Influence of Social Capital on Resource Bundling Processes in BIDs	69
4.1	Introduction	69
4.2	Theoretical Background	71
4.2.1	<i>Social Capital, BIDs and Community Economic Development</i>	71
4.2.2	<i>The Mediating Role of Resource Bundling Processes</i>	74
4.3	Methodology	76
4.3.1	<i>Research Setting</i>	76
4.3.2	<i>Data Sources</i>	79
4.3.3	<i>Data Analysis</i>	81
4.4	Results	83
4.4.1	<i>Social Capital Configuration of BIDs</i>	83
4.4.2	<i>Resource Bundling Processes as Mediator</i>	89

4.5 Discussion and Conclusion	100
5 The Influence of Social Capital on the Leveraging of Public-Private Capability Configurations	107
5.1 Introduction	107
5.2 Theoretical Background	110
5.2.1 <i>The Concept of Social Capital</i>	110
5.2.2 <i>Capability Leveraging Processes</i>	112
5.3 Methodolgy	114
5.3.1 <i>Research Setting</i>	115
5.3.2 <i>Data Sources</i>	119
5.3.3 <i>Data Analysis</i>	121
5.4 The Influence of Social Capital on Capability Leveraging Processes	125
5.4.1 <i>Mobilizing</i>	126
5.4.2 <i>Deploying</i>	129
5.4.3 <i>Coordinating</i>	139
5.5 Discussion and Implications	145
5.6 Limitations and Future Research	150
6 Overall Discussion and Concluding Remarks	153
6.1 Consolidation of Findings	153
6.2 Contributions to the Literature	155
6.3 Practical Implications	157
6.4 Limitations and Avenues for Future Research	159
7 References	162
8 Appendices	192

Figures

Figure 1: The Relationship of Chapters to Resource Orchestration and Social Capital Theory	7
Figure 2: Resource Orchestration Processes and City Competitiveness.....	46
Figure 3: Type of Resource and Ownership Structure.....	50
Figure 4: Type of Resource and Bundling Activity	54
Figure 5: Social Capital Configurations of NYC BIDs.....	84
Figure 6: A Mediation Model of the Resource Bundling Processes in BIDs	101
Figure 7: Social Capital Configurations and Resulting Deploying Approaches.....	131
Figure 8: Interpretive Model of Social Capital's Influence on Public-Private Capability Leveraging	146

Tables

Table 1: Theoretical Perspectives on City Competitiveness. Adapted from Martin (2005)	31
Table 2: Resource Orchestration Processes and Capabilities.....	48
Table 3: Description of 12 Business Improvement Districts Studied (2014)	78
Table 4: Sources of Data in NYC.....	80
Table 5: Evidence Data Illustrating the Social Capital Configuration of BIDs	92
Table 6: Summary of BID Types and Attributes Including Exemplary Evidence.....	103
Table 7: Description of 15 Business Improvement Districts Studied (2016)	118
Table 8: Sources of Data in Hamburg.....	123
Table 9: Evidence Data Illustrating Bonding Social Capital Configurations	140
Table 10: Evidence Data Illustrating Linking Social Capital Configurations	141
Table 11: The Structural Social Capital Dimension of Sampled BIDs.....	199
Table 12: BID Goals and Operational Priorities in the Years 2014/15.....	201
Table 13: Data Illustrating the Link between Social Capital and Resource Bundling Processes	204

Abbreviations

Admin.	administration
BID	Business Improvement District
DSBS	Department for Small Business Services
DTI	Department of Trade and Industry
e.g.	for example (Latin: 'exempli gratia')
ED	Executive Director
et al.	and others (Latin: 'et alii')
etc.	et cetera
EUR	Euro
FY	financial year
i.e.	that is (Latin: 'id est')
LDC	local development corporation
Ltd.	limited company
n.a.	not applicable
Nb.	number
NID	Neighborhood Improvement District
NYC	New York City
OECD	Organization for Economic Cooperation and Development
P	proposition
p.	page
pp.	pages
R&D	research and development
RBT	resource-based theory

ROT	resource orchestration theory
SC	social capital
USD	US dollar
U.S.	United States
VRIN	valuable, rare, imperfectly imitable, non-substitutable
vs.	versus

1 Introduction

1.1 Relevance and Objective of this Dissertation

The development of theories that help to explain competitive advantage has occupied the attention of the management community for more than 25 years (e.g., Barney, 1991; Peteraf, 1993; Porter, 1985; Sirmon, Hitt, Ireland & Gilbert, 2011). As such, the discipline traditionally considers business firms and their subunits (e.g., Gupta & Govindarajan, 1984), strategic alliances (e.g., Das & Teng, 2000), clusters (e.g., Porter, 1998) or industries (e.g., McGahan, 2004) as core unit of analysis. However, not only do firms or firm networks compete with each other and seek for a superior competitive position, every community, city, region and state wants to do better – or at the very least, not do worse (Audretsch, 2015). Places do not compete the same way as commercial firms with a single hierarchical decision-making body and a profit-maximizing objective, but they engage in competition in ever more sophisticated and complex ways, for investment, high skilled labor, tourists, shares of finite government resources and hallmark events (Lever & Turok, 1999).

Today, more than half of the world's population already lives in cities, generating more than 80 percent of the global economic growth. By 2050, urban population is expected to swell to more than 6 billion (United Nations, 2014). Previous research reveals that successful cities, instead of nation states or multinational corporations, are central nodes in the service economy (Sassen, 2011), islands of governance (Khanna, 2010) and important national assets (Singhal, McGreal & Berry, 2013); and other cities being confronted with economic decline, social instability, environmental and infrastructure problems burden national economic development (Begg, 2002).

A city's strong and vigorous performance concern spans a broad spectrum of constituents and interests, including business, labor, non-profit organizations, government, and private residents. One emerging constituency transforming urban governance landscapes across the

globe are Business Improvement Districts (BIDs) (Hoyt, 2003; Hoyt & Gopal-Agge, 2007). They are an expression of the change from a managerial approach under the welfare state to an entrepreneurial approach, which focuses on creating a favorable investment climate for transnational capital within the cities' borders (Brenner, 2004, p. 61). It requires an active nurturing of entrepreneurial culture among business executives, residents, and government officials alike. Local governments play a crucial leadership role in urban entrepreneurial governance not as 'providing governments', but rather as 'enabling governments' that stimulate multi-sector actors (OECD, 2007). Enabled by government, BIDs are generally self-financed organizations of private commercial property and business owners in designated geographic areas that advance urban entrepreneurialism from service delivery of sanitation and security to destination marketing and branding (Ruffin, 2010).

The district, and by extension the city, cannot compete in the global economy unless and until it is clean and safe; and then perceived regionally and internationally as an attractive place to live, work, invest and recreate. By enhancing the attractiveness and the vitality of various urban areas within the city, BIDs' strategies respond to the prime objective of strengthening city competitiveness (D. Wilson, 2004). Against this backdrop, it is unsurprising that the self-help oriented BID movement, which began in the mid to late 1960s in Canada, grew exponentially throughout North America since the 1990s. In recent years, the BID model has transferred to other continents including Africa, Europe, and Asia (Hoyt, 2003; Hoyt & Gopal-Agge, 2007). Today, cities like Toronto, New York City (NYC), and London accommodate more than 60 BIDs. As their numbers within cities grow and they take on additional responsibilities for place-making and associated service delivery, their management and governance from the city perspective will increasingly be tested. The successful design and implementation of BIDs becomes an important source of competitiveness for cities.

To improve their performance, places – no matter whether it is a business district, community, or city – need to understand how they can achieve and sustain success by exploiting one or more competitive advantages. Even though this is one of the core questions of strategy research, decision makers mandated with the strategic management of their place receive little guidance or insights from strategy scholars in terms of a systematic framework for evaluating how to generate and sustain a competitive advantage for their place. Scholarly literature on the question why some places perform better than others is diffused across disparate fields of scholarship and academic traditions, each bringing its own research agenda and particular focus that shape the underlying research questions, methodologies, and ultimately policy relevance (Audretsch, 2015; Huggins, 2003).

In particular, the field of urban economics has generated many studies that focus on this question, with an overriding concern for spatial equilibrium under the assumptions of factor mobility across geographic space. This results in an emphasis on agglomerations and spatial concentrations of economic activity (e.g., Ellison & Glaeser, 1999). Sociologists, on the other hand, focus on the role of networks and linkages in creating social capital (SC) within cities, and on how it ultimately impacts spatial performance (e.g., Forrest & Kearns, 2001). Entrepreneurship literature examines the link between startup activity and city performance (e.g., Florida & Mellander, 2016; Glaeser, 2007), while also acknowledging the role of leadership for generating economic rents (e.g., Haughton & While, 1999; Landry, 2012). Management scholars either highlight the role of clusters in shaping city performance (e.g., Porter, 1998) or have a too narrow focus on the public sector that only controls a minuscule portion of the capital available in a city (e.g., Agranoff & McGuire, 2004). In addition, there exists enormous literature generated by economic development professionals, ranging from cities to states, non-governmental organizations, and consulting firms. However, until today findings are fragmentary and incomplete, there exists no coherent theory or framework for the

strategic management of places (Audretsch, 2015; Wolfe, 2013).

Similarly, BIDs have been discovered as research object by a variety of disciplines (Hoyt & Gopal-Agge, 2007). Political scientists investigate BID-government relations (e.g., Morçöl & Zimmermann, 2006; Wolf, 2008) and the implications of BIDs for democratic participation and accountability (e.g., Justice & Skelcher, 2009). Urban planners and sociologists analyze the BID measures and their effectiveness in helping to solve urban problems (e.g., Ellen, Schwartz, Voicu, Brooks & Hoyt, 2007). Public economists discuss issues regarding collective goods provision (e.g., Brooks & Strange, 2011) and legal studies focus on the question how to conceptualize BIDs as a mixture of different institutional forms at the intersection of public and private spheres (e.g., Briffault, 1999). However, this growing body of literature still lacks micro-level insights on the actual management of BIDs and on what they can do to improve their performance.

In sum, none of the approaches fully addresses the question of *how places can achieve and sustain a competitive advantage*. A multitude of disciplines have discovered cities and their sub-units as valuable research objects. Strategic management scholars lack behind, even though their lenses do indeed offer unique perspectives that none of the other social sciences provides. This dissertation aims to fill this intellectual void. It represents a first step towards untangling the complexities surrounding places' competitive advantage. I begin decomposing this research question by developing a holistic resource-process-output model of city competitiveness, which is based on resource-based theory (RBT) and centers around the 4-step-process of resource orchestration (see especially Sirmon, Hitt & Ireland, 2007; Sirmon et al., 2011). Rather than trying to attract investment, employment and skilled labor from elsewhere, I argue that a city's competitive advantages derive from its unique resource base combined with the actual process of strategically managing resources and developing capabilities that includes (a) *structuring their resource portfolio*, (b) *bundling resources to*

capabilities, (c) leveraging capability configurations, and (d) continuously synchronizing each activity.

To give this model its specific urban shape, I then apply it, in parts, to the sub-local territory of BIDs. Specifically, I explore the processes of *resource bundling* in small and medium-sized BIDs in NYC. In order to reduce complexity, I focus on the interaction between resource bundling processes and SC, as one particularly important, place-specific, resource for the management of such network arrangements. As there is a considerable amount of debate in the literature on the positive and negative outcomes of SC for local development (Woolcock & Narayan, 2000), I assume that the processes of resource bundling act as an important mediator, hereby trying to answer the following research questions: *How does the SC configuration of BIDs influence the use of resource bundling processes? And how do these processes influence the capability of BIDs to revitalize local economies in order to enhance community economic development?*

In the following, I examine another step of the resource orchestration process, namely *capability leveraging*, in the context of BID-government relationships in the City of Hamburg. Capability leveraging entangles the actual processes of strategy development, coordination, and implementation. Again, I focus on the influence of SC on each sub-process of capability leveraging because I argue that SC participates in the dynamics of linking public and private capabilities as catalyzer to form capability configurations for effective leveraging. To analyze this link more systematically, I examine the following research question: *How does the SC configuration of cross-sector collaborations (such as BIDs) influence the use of leveraging processes, and in turn, how do these processes influence their collaborative outcome?*

The contribution of this dissertation is multi-fold. First, the study contributes to developing the empirically under-researched resource orchestration theory (ROT) in the context of cities

and their sub-units BIDs. I specify the capabilities needed to govern resources in network structures and empirically elaborate how SC facilitates or constraints bundling and leveraging activities. I show that in order to understand resource orchestration, we need to consider the complex social structures underlying these processes. Second, I contribute to SC literature by explicitly distinguishing the different types and effects of bonding, bridging and linking SC. I generate new insights on the relationships and mechanism by which SC affects collaborative performance by analyzing resource bundling and leveraging processes. Third, my resource orchestration lens adds a dynamic perspective to the analysis of cities and BIDs, shedding light on the question of how they gain competitive advantages, rather than treating them like a black box through which certain inputs (e.g., human capital) flow into revealed outputs (e.g., GDP per capita). These insights enable us to better understand why some places are more capable to get things done and create a systemic improvement than others. I claim that my work also has practical relevance to guide public officials, such as city economic development agencies, practitioners like the chamber of commerce, consulting firms, businesses, and other constituents in developing and implementing strategies designed to enhance the performance of their place.

1.2 Theoretical Background

Even though there is currently no unified or broadly accepted theory to answer the question of how cities gain a competitive advantage, a few holistic frameworks for the strategic management of cities exist. For example, the framework developed by Audretsch (2015) provides a promising step forward and a suitable lens for the main areas of inquiry in this dissertation. He proposes that the factors of production and resources, the spatial and organizational structure, the human dimension, and public policy are the four elements significantly shaping the performance of places. From the perspective of this framework, my

theoretical review focusses on (1) the advantage-creating resources, (2) the inter-organizational processes that are needed for harnessing the potential performance from resource inputs, and (3) the human aspect, as a special advantage-creating resource, because it is not only the place's physical or financial resources and how well they are deployed, but also the people and individuals can make the key difference in how well a city or district performs.

I examine the first domain through RBT, and the second domain through its dynamic refinement resource orchestration theory, which also provides a common theoretical foundation for the chapters three to five (see Figure 1). The human dimension is addressed through SC theory, because places where people like to engage with others in a plethora of venues are considered to possess a high degree of SC. In this chapter, I will explain the origins of RBT, ROT and SC as foundation for its application in the urban context.

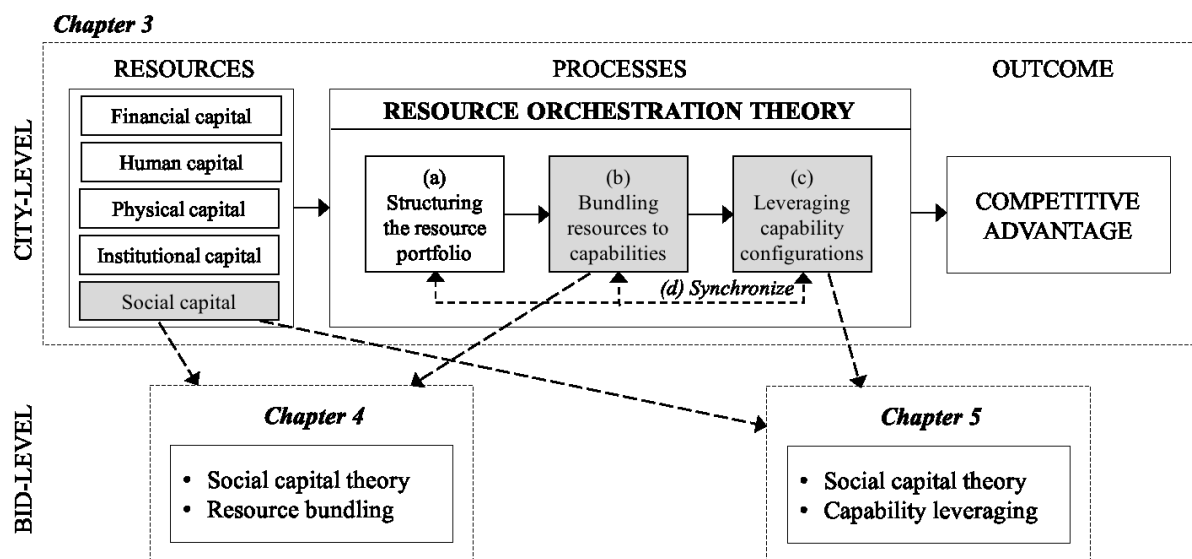


Figure 1: The Relationship of Chapters to Resource Orchestration and Social Capital Theory

1.2.1 Resource-Based Theory and Resource Orchestration Theory

Perhaps the most dominant contemporary paradigm for the analysis of sustained competitive advantage in strategy research is the RBT. Initiated in the mid-1980s by

Wernerfelt (1984), Rumelt (1984) and Barney (1986), the RBT assumes that resources are heterogeneously distributed across firms and focuses upon their ‘advantage-creating’ strategic resources as the fundamental determinants of competitive advantage and superior performance (Amit & Schoemaker, 1993; Barney, 1991). A strategic resource fulfills certain characteristics – it must be valuable, rare, and difficult to imitate or substitute (Barney, 1991). A short-term competitive advantage is created when valuable resources reduce costs or command premium prices. However, if these resources are easily imitable, this advantage dissipates quickly. It is only sustained if resources are difficult to imitate as competitors face difficulties obtaining competitive parity (Barney, 1995). An analogous framework for the strategic management of places suggests that one key for achieving sustained competitive advantage of a place, albeit a city, community, region or state, is to focus on the resources that can be harnessed by a particular location (e.g., a particular lifestyle, specialized service industries) (Audretsch, 2015).

Over the last decades, a large and diverse collection of contributions sought to refine the RBT (e.g., by the concepts of core competencies (Prahalad & Hamel, 1990), distinctive capabilities (Kay, 1995), and dynamic capabilities (Teece, Pisano & Shuen, 1997)); consequently, its basic propositions have become increasingly well delineated. However, critics as well as a meta-analysis identified that theory largely ignored the process through which strategic resources lead to high performance (Priem & Butler, 2001), as what matters to achieve and sustain a competitive advantage is not only the attributes of firm resources, but also how a firm develops, manages and deploys those resources strategically.

In response to this criticism, Sirmon et al. (2007) develop ROT, a comprehensive process model that examines the actions that managers take to employ the firm’s resources effectively by structuring the resource portfolio, bundling resources into capabilities, and leveraging the capabilities to create value. The conceptual model proposed by Sirmon et al. (2007, 2011) is

the dominant model in this body of literature. Sirmon et al. (2007) distinguishes between value creation for customers and wealth creation for owners (e.g., Coff, 1999). The former is achieved, if the firm produces greater utility for customers than competitors do, which implies that the firm has a competitive advantage (e.g., Hoopes, Madsen & Walker, 2003). The latter further requires that utility and costs can be optimized through resource orchestration. The resource orchestration process model includes three phases, which address managerial action in developing resource and capability portfolios and putting them into use. The phases are divided in sub-processes which are discussed below.

The first phase, *structuring the resource portfolio*, essentially determines the origin of the firm's resources. It captures the stream within RBT that considers accumulating resources through internal development (Dierickx & Cool, 1989), strategic factor markets (Barney, 1986), or divestment. During the second phase, *capabilities are formed (or bundled)* by integrating resources within the firm's resource portfolio. This formation takes place through three main processes. First, stabilizing refers to making minor incremental improvements to existing capabilities, such as training employees. Second, enriching refers to extending and elaborating existing capabilities, such as integrating newly acquired resources into existing capabilities. Third, pioneering can involve recombining existing resources. Sirmon et al. (2007) argue that it often involves completely new resources.

When resources are structured and bundled in such a way that they can potentially create value, they do not yet create value for the firm. In order to do so, they need to be leveraged effectively. *Leveraging*, the third phase of resource orchestration, involves three sub-processes: mobilizing, coordinating, and deploying. Mobilizing tries to design the leveraging strategy. More specifically, it identifies the capabilities needed to exploit opportunities in the market and gain a competitive advantage. Subsequently, it designs the composition of these capabilities (Prahalad & Hamel, 1994, p. 87). Coordinating aims to integrate mobilized

capabilities in an effective, yet efficient, manner in order to create capability configurations. Deploying is the actual usage of capabilities compositions or configurations to support the chosen leveraging strategy (Sirmon et al., 2007).

Overall, Sirmon et al. (2007) contend that all elements of resource orchestration must be viewed jointly, because they are inherently linked in ways that often include organizational idiosyncrasies. They also acknowledge the significance of the firm's operating environment, which they decompose by munificence and uncertainty. Environmental munificence refers to "scarcity or abundance of critical resources needed by (one or more) firms operating within an environment" (Castrogiovanni, 1991, p. 542). Environmental uncertainty (i.e., dynamism) is reflected by the regularity and amount of change occurring in the environment, including changes in industry structure, stability of market demand, and probability of environmental shocks (Sirmon et al., 2007, p. 275). Because the value of the resources varies across environmental contexts, the value-creating potential of the firm is affected along with the related resource orchestration process.

Interest in resource orchestration has produced some empirical studies (Chadwick, Super & Kwon, 2015; Holcomb, Holmes Jr & Connelly, 2009; Ndofor, Sirmon & He, 2011; Sirmon, Gove & Hitt, 2008). While these studies address only limited aspects of the Sirmon et al. (2007) model, they provide promising evidence that supports the key theses of the theory. Yet, there are many empirical research gaps and an application to the city and/or BID context has never been attempted. I show in this dissertation that this recent theory serves as a good candidate to illuminate the actual processes of how cities can achieve and sustain a competitive advantage by empirically elaborating two of the three resource orchestration phases in the context of BIDs. I assume that RBT and ROT's underlying concepts (e.g., resources, capabilities) and the key lines of reasoning (e.g., processes for managerial action) are generic enough for this endeavor. There is nothing inherent in the RBT and its dynamic

refinement that excludes its application to collectivities (i.e., cities or BIDs) and resource-based thinking has already been applied to inter-firm networks (e.g., Dyer & Singh, 1998) and industries (Foss & Eriksen, 1995), i.e. to higher levels of aggregation and complexity. The underlying reasoning from a management perspective is that these higher levels of aggregation also produce assets that can be of strategic value and need to be managed effectively for actors of networks that emerged in a less purposive way (i.e., compared to strategic alliances).

Resources and their orchestration processes at higher levels of aggregation are characterized by the fact that a number of actors have access to these resources, thus the condition of RBT, that they have to be owned or controlled by one firm to become a source of competitive advantage, is relaxed. Instead it is argued that access to resources (controlled by somebody else) can be sufficient (Lavie, 2006). As a consequence, the analytical focus shifts from single firms to a network of actors (public institutions, agencies, firms, non-governmental organizations, etc.), which is why the relationships and interactions between these actors become a central concern (Dyer & Singh, 1998; Markard & Worch, 2009). Therefore, I argue that SC participates in the dynamics of developing and deploying resource and capability portfolios.

1.2.2 Social Capital Theory

Much of the ongoing debate over how to improve a place's performance typically focuses on a specific resource, such as exports or the creative class. Often this debate overlooks the huge potential locked in the human dimension, or what scholars often refer to as 'social capital' (Evans & Syrett, 2007). Within a globalizing world, where factors of production are increasingly mobile, SC as territorially rooted immobile resource is of increasing strategic value in providing a competitive advantage (Cooke & Morgan, 1998; Storper, 1995). Places

where people interact in meaningful ways are conducive for the diffusion of ideas, or the creation of new ideas to drive innovative activity. However, the human dimension may also be the unseen and unconsidered element impeding improved performance. The best efforts to enhance the resource base may be thwarted and frustrated, if people are not engaged (Audretsch, 2015).

One of the early uses of the concept of SC was in community studies, highlighting the central importance of networks of personal relationships that provide the basis for trust, cooperation and collective action in neighborhoods (e.g., Jacobs, 1961). Subsequently, it has been applied to elucidate a wide range of social phenomena – from individual performance and career success (e.g., Burt, 2009), the creation of intellectual capital (Nahapiet & Ghoshal, 1998), innovation within (Hansen, 1999) and between organizations (Powell, Koput & Smith-Doerr, 1996), to the functioning and performance of regions (Hauser, Tappeiner & Walde, 2007) and nations (Putnam, 1995, 2000).

The broad use of the term SC resulted in a lack of clarity on the concept itself (Portes & Landolt, 2000; Trigilia, 2001). It seems to denote almost everything related to ties between people, i.e., a stock of ties, features of such ties (e.g., strengths of ties, trust, norms), conditions for their functioning and their outcomes. It includes formal or informal groups of many kinds, and connections between such groups (Nooteboom, 2007). However, the confusion is clearing. In the management literature, Nahapiet and Ghoshal (1998) produced a nuanced definition. They define SC as “the sum of the actual and potential resources embedded within, available through and derived from the network of relationships possessed by an individual or social unit” (Nahapiet & Ghoshal, 1998, p. 243). They offer a reasonably comprehensive organizing framework that distinguishes the three dimensions of (1) structural SC that refers to the structure or pattern of personal and social networking relationships and connections people develop with one another; (2) relational SC that focuses on the quality of

the relationships and interactions; and (3) cognitive SC referring to the values and perceptions of individuals as they interact with one another (e.g., common set of goals, a shared vision and values, and shared representations) (Nahapiet & Ghoshal, 1998).

The confusion has been further dispelled by the distinction between bonding, bridging and linking types of SC. Bonding ties are connections between people who know each other very well, i.e. certain family members, close friends or members of certain ethnic groups. Strong ties are a major source of emotional and material support. Bonding SC can be very important within poor and excluded communities (Kleinhans, Priemus & Engbersen, 2007). Social networks that produce bonding capital can be so strong as to yield rigidities that obstruct innovation or exclude outsiders from the network and impose suffocating norms on the group members (Portes, 1998) – a phenomenon known as the dark side of SC (Portes & Landolt, 2000; Putnam, 2000). Bridging ties are weak, cross-cutting connections to people outside one's own local group, such as indirect acquaintances or certain colleagues from work. This form of capital helps people to 'get ahead' through access to opportunities and resources in other social circles than their own (Burt, 2009; Kleinhans et al., 2007). Woolcock (1998) coined the term 'linking SC' to designate a certain type of vertical bridging to decision makers and authority figures. However, the distinction between bonding and bridging capital has received most attention in the literature (Agger & Jensen, 2015).

Bonding, bridging and linking SC all seem to play essential roles for the performance of a place. The most important economic characteristic of SC networks is the reduction of transaction costs (Szreter, 1997). When network exchanges take place between individuals and/or organizations in circumstances characterized by trust and reciprocity, such exchanges are completed at less cost to the parties involved. Moreover, once SC is generated through regular exchanges within such networks, it becomes appropriable, or re-usable, by those

actors with access to these networks (Coleman, 1994). Local or urban development is therefore associated with the presence of high stocks of SC.

Although a clear case for the importance of SC within processes of local or urban development (e.g., within BIDs) can be made, this is no guarantee that it will have a positive influence. The possible presence of ‘downside’ SC, the relationship to other types of capital and the institutional context (e.g., role of local administration) may conspire to suppress any such positive outcomes (Evans & Syrett, 2007). In other words, SC is not a sufficient condition for the development of places. Understanding the different outcomes requires (1) sensitivity to the exact blend of bonding, bridging or linking SC (Woolcock & Narayan, 2000), and (2) attention to the micro-level development processes rather than the dominant macro-level application of the SC concept (Evans & Syrett, 2007; Maloney, Smith & Stoker, 2000). Knowledge about stocks of SC does not automatically enable us to read off implications for the strategic management of places.

In this dissertation’s empirical analysis, I try to address these shortcomings by situating my research in the context of BIDs in NYC and the City of Hamburg, explicitly considering the configuration of bonding, bridging and linking SC for the performance of BIDs. Moreover, I elaborate the sub-local development processes, rather than trying to proceed on an abstract basis, by combining SC with the processual ROT. Both theories are theoretically rooted in the RBT, i.e. they build on compatible underlying assumptions. As outlined earlier, the resource-based perspective on SC views connections as both resource and providing access to resources (Nahapiet, 2007). This theoretical compatibility allows us to combine these lenses in order to dive deeply into the actual functioning of places, and in particular BIDs (Okhuysen & Bonardi, 2011).

1.3 Research Design of Empirical Analyses

The conceptual resource-process-output framework developed in chapter three is a holistic framework to describe how cities gain a competitive advantage. To give the model its specific urban shape, I focus on certain mechanisms and relationships for empirical examination. I use the SC lens as one particular intangible and immobile resource and explore its relationship with resource bundling processes in chapter four, and capability leveraging in chapter five. This dissertation's research design is best termed as theory development since it elaborates the theoretical links yet to be addressed in the literature by extending existing constructs to other contexts (Ridder, 2017): The theory on resource orchestration processes within firms is confronted with case descriptions, interviews, documents, and observations from the BID context. Additionally, the link between SC and resource orchestration, which has previously only been mentioned in the strategy literature (Arregle, Hitt, Sirmon & Very, 2007; Sirmon et al., 2007), is further explored and specified. In other words, I attempt to connect and extend theory on the interaction of SC and resource orchestration processes.

I chose BIDs as research context, because the sources of city competitiveness may originate from a variety of geographical scales, from the local, through regional, to national and even international. There is no natural, pre-defined unit, at which issues of competitiveness are best theorized or analyzed (Martin, 2003). BIDs are an attractive unit of analysis because their limited set of stakeholders, clearly defined geographic boundaries, and defined place development goals provide a microcosmic opportunity to examine the impact of social network ties and interactions, and deliberate resource orchestration processes. A BID relies on the commitment and trust of its members and builds up services based on close relationships in the community context (Gross, 2005, 2010). I assume that the social networks structures and specific resource bundling and capability leveraging processes will determine the success of BIDs in the long run. Given the exploratory nature of the research questions, I

employed the multiple case study strategy and used a constructivist paradigm to examine the operation of BIDs in its real-life context to make the boundary between phenomenon and context more evident (Yin, 2014).

Data collection methods include semi-structured interviews, natural observation, documents, and archival records. I conducted an aggregate of 100 semi-structured personal interviews with local BID managers, BID board members (i.e., property and business owners), local administrators, local elected officials, members of the chamber of commerce, residents of each BID, and BID experts such as university professors or members of inner-city retail associations. Direct observation entailed walking tours of the subject BID, attending BID coordinated events, board meetings and BID networking events. Secondary sources consulted include BID enabling legislation, governing documents, budgetary and performance reports, BID marketing literature, BID websites and blogs, NYC and the City of Hamburg municipal websites, newspaper and magazine articles, and local economic development studies. Data collection and content analysis strategies are fully discussed in methodology chapters 4.3 and 5.3. Questions for local informants are annexed to this dissertation (Appendix I and V). Interview transcripts and two data analysis files (in Atlas.ti format) are provided on a separate storage device.

1.4 Structure of the Dissertation

This dissertation contains six chapters. The overall introduction, overall conclusion, and introductory second chapter are written in the first person “I” style, while the three remaining chapters are structured as autonomous pieces and are written in “we” style. Accordingly, these chapters include separate introduction as well as concluding remarks. Repetitions in these chapters are deliberately preserved to facilitate an independent reading of each. Nevertheless, each of these chapters builds on the insights of earlier chapters, extending the

findings and refining the theoretical contributions of this thesis. The six chapters of this dissertation are linked as follows.

Following the overall introduction, the introductory second chapter synthesizes prior streams of scholarly literature on city competitiveness and BIDs. Based on the research gaps identified in the literature overview, chapter three provides the conceptual framework for the following two case studies. It describes a 4-step-process on how urban policymakers, administrators and practitioners develop resources and build up capabilities to increase the performance of their place. This chapter has been co-authored by Dodo zu Knyphausen-Aufsess. However, his contribution did not exceed approximately 10 percent of the work.

Chapter four zooms into the processes model and explores one specific step, namely resource bundling, and its link to one specific resource, namely SC, in the context of 12 BIDs in NYC. I analyze the level and type of services provided by each BID to identify three resource bundling profiles, which I then relate to the SC configurations to advance a model suggesting that the sub-processes of the overarching resource bundling process each have unique mediation effects on the link between SC and the role of BIDs for local development.

Chapter five then picks up capability leveraging, the third phase of resource orchestration, that entangles the processes of strategy formulation, coordination and implementation of 15 BIDs and their governments in the City of Hamburg. Whereas chapter four focusses on BID measures and the horizontal relations of BIDs to other community actors, chapter five analyzes BIDs from their formation to implementation, and how vertical SC configurations between BIDs and their governments influence this process. Finally, chapter six presents an overall summary and concluding remarks as well as an overview of this dissertation's limitations and potential avenues for future research on the strategic management of places.

2 Different Perspectives on City Competitiveness

The goal of this chapter is to synthesize and assess prior research on the performance of cities and BIDs. It should be noted at the outset that several works referred to treat competitiveness at the level of the region. However, as Kresl (2013) asserts, regions as geographic areas may not have an overall administrative management or identity beyond the spatial, which makes the implementation of a development strategy at the level of the geographic region impossible, whereas cities do have the capacity to exercise policy influence over their area and can implement strategic management policies. This justifies the analysis of performance at urban and sub-urban scales, as it is argued in the following.

2.1 Discourse on City Competitiveness

The phenomenon of city competitiveness is complex and multidimensional with contrasting views and opinions. Until the last decades, the notion of competitiveness was only attached to firms or countries (Porter, 1990), sub-national entities such as regions, cities or communities were largely ignored. Still, there exist questions to which extent cities are meaningful units of analysis (Scott & Storper, 2015). Krugman (1994, 1996) and more recently Urwin (2006) stated that competitiveness is not an attribute of cities, as, unlike firms, they cannot go out of business. Camagni (2002) contradicts – and Detroit's insolvency proves (M. W. Walsh & Davey, 2013) – that cities can suffer long-term out-migration, stagnant investment, declining per capita incomes and rising unemployment, thus they can indeed do the equivalent to firms, even if they do not simply disappear.

Despite the contradictory debate about the expedience to apply the concept of competitiveness to cities, numerous scholars have inherited and promoted the idea of competitive cities (e.g., Boddy & Parkinson, 2004; Kresl, 1995; Kresl, 2013; Kresl & Singh, 1999; Kresl & Sobrino, 2013; Ni, 2012), which has recently moved to the more technological

version of smart city (e.g., Cocchia, 2014; Nam & Pardo, 2011; Neirotti, De Marco, Cagliano, Mangano & Scorrano, 2014), as a sequence of “neo-liberal-infused new urban visions, including [...] creative, sustainable, resilient and green cities” (Kitchin, 2015, p. 133). Not only became ‘competitiveness’ or ‘smartness’ an issue of academic interest, but it has also been enthusiastically adopted as primary policy goal in developed countries (e.g., DTI, 2007; European Commission, 2012; European Parliament, 2014; OECD, 2006; K. Schwab & Sala-i-Martin, 2015). This was determined by the new conventional wisdom that cities have no option but to strive for competitiveness in order to survive in highly competitive markets being forged by globalization and the new information technologies (Martin, 2005).

At the same time, a critical body of literature emerged that questions both the reification of competitiveness and of policies, which it can lead to (e.g., Bristow, 2005, 2010; Carter, 2011; Cochrane, 2007; Peck, 2004; Peck & Tickell, 2002, 2007). Within this critical literature, the concept of competitiveness is perceived as a neoliberal discourse, which limits policy-making to a particular view of economic growth concerns as priorities over all others. Turok (2004) and Malecki (2004) acknowledge that place-based competition is not always beneficial, or indeed harmful, leading to subsidy wars, a misallocation of resources from a state or local perspective and a widening of social inequalities. Thus, the inconsiderate usage of the term ‘competitiveness’ as an unambiguously beneficial attribute of economy and the potentially detrimental impacts of competitiveness strategies are problematized, as competition between cities would suggest that they are in some sort of a global race for market shares and resources, in which there are only winners and losers. The competitiveness rhetoric leads policymakers to consider economic interaction with other cities as a threat (Kitson, Martin & Tyler, 2004; Urwin, 2006).

To overcome this criticism, Urwin (2006) proposes to focus on the components of city *performance* rather than competitiveness. It produces some subtle but crucial shifts in city

strategy from giving an “undue level of attention” (Urwin, 2006, p. 1) to policies designed to attract investment, employment and skilled labor from elsewhere, to nurturing the existing assets of the city. This different framing fits well with the resource-based approach of this dissertation, which argues that organizations (or cities) should look inside their (organizational) boundaries to find sources of competitive advantage instead of focusing at their competitive environment. Yet, for the purposes of this discussion, the terms ‘city competitiveness’ and ‘city performance’ are used interchangeably.

To sum up, the fact that cities compete is in some sense not in question anymore, even though there are critical voices on the policy-driven discourse. But precisely how we define and conceptualize city competitiveness (or performance) remains a more elusive issue. Following the categorization of Bristow (2005, 2010) and Martin (2003), city competitiveness is either conceptualized as (1) an aggregate of firm competitiveness, meaning the competitiveness of a city is ultimately set by the productivity of its firms (Porter, 1995, 2000), or as (2) a derivate of country competitiveness, i.e. city competitiveness is considered directly equivalent to a city’s macroeconomic performance (e.g., Huggins, 2003; Malecki, 2002).

At the firm level, there exists a reasonably clear and straightforward understanding of the notion of competitiveness based on the ability of a firm to survive competition, grow and be profitable in the marketplace. According to Porter (1985), productivity is the best proxy for firm competitiveness. He argues that firms generate a competitive advantage by producing more output with fewer units of input than their rivals. Micro-economic conceptualizations of competitiveness apply this understanding to the local level and assume that city competitiveness is determined by the productivity of firms within a city, i.e. a city is more competitive, if firms within the city have a higher productivity than firms in other cities (Bristow, 2005; Martin, 2005). The underlying assumption is that the interests of firms and cities in which they reside are always parallel (Martin, 2003). This notion is difficult to

sustain, as firms will strive for productivity and profits, while urban competitiveness also needs to include, for example, social or environmental sustainability concerns. Moreover, Porter simply presumes some “invisible hand” whereby the pursuit of competitive advantage of firms leads to aggregated productivity and prosperity for the whole urban economy, leaving unanswered many questions as to *how* it happens (Bristow, 2005, p. 293).

At the macro-economic level, measures of competitiveness for national economies are simply applied to the meso-level of cities. However, some laws governing the economics of international trade such as exchange rate movements or price-wage flexibility do not operate at the city level. In the absence of macro-economic adjustment mechanisms, the macro-economic competitiveness concept cannot be applied to the city level neither (Martin, 2003). Cellino and Soci (2002) argue that there is something distinctive about competitiveness on an urban level – it seems to be a concept that is rather ‘stuck in the middle’. The following literature survey will search for useful concepts and elements to understand the driving factors of city performance.

2.2 Theoretical Foundations of City Competitiveness

As there exists no single, all-encompassing theory that explains why cities or places differ and how they can improve their performance, I present a range of different theoretical accounts, from which implications for city competitiveness are inferred (see Table 1). Every one of these theoretical frameworks carries implicit or explicit implications for the notion of city competitiveness, even if it relates to nations, regions, or in some cases firms. Further, they should not be considered as separate alternatives, however, they often overlap.

2.2.1 Trade and City Competitiveness

Most early theories of urban economic growth were aspatial extensions of classical and neoclassical economic theories of international trade and national economic growth (Dawkins, 2003). Their main contribution comes from the concept of comparative advantage, first introduced by Ricardo (1817). It implies that trade will occur between countries with differences in factor endowments (labor, capital, and technology) or technological progress. Economic geographers applied this logic to explain the location of economic activity in terms of the geographical distribution of key ‘locational endowments’ (e.g., the availability of natural resources, labor supplies, access to markets). In essence, cities compete with one another to attract economic activity on the basis of their comparative endowments of these locational factors (P. McCann, 2001). This logic implies that different cities will tend to specialize in those industries and activities, in which they have a comparative (factor endowment) advantage (Martin, 2003).

Unfortunately, while this perspective may provide some insights into the location of economic activity, of itself it has little to say on the role of trade in shaping urban development. This is the focus of a range of export-based theories that ascribe a central role to the relative size and success of its export-oriented industries (Armstrong & Taylor, 2000; Bathelt & Karlsson, 2010) as key determinant of urban performance. The alternative term ‘tradables’ is also used to denote such economic activities (Rowthorn, 2000). Whereas simple export models relate a city’s comparative growth to the growth of the export sector of the local economy, more sophisticated forms seek to formulate export demand and supply functions including factors such as the price of the city’s exports, the income level of external markets, the price for substitute goods in those external markets, or the quality of products. If the demand and supply factors are favorable to the city’s export growth, it leads to higher overall growth and rising local employment and incomes (Armstrong & Taylor, 2000; Martin,

2003). Thus, in this approach, urban competitiveness is linked primarily to the trade performance of a city and to associated notions of comparative advantage (Martin & Simmie, 2008b).

How sustainable this relative advantage – and the inter-city disparity that it implies – is depends on one's view about inter-city adjustment mechanisms. A neoclassical position would suggest that such export-led growth differences should be only short-run and self-correcting because export growth would lead to an expansion in the demand for factor supplies, the price of which will increase relative to other cities. This encourages a fall in the city's productivity growth, a decline in the competitiveness of exports, as well as capital movements to lower price cities. In other words, inter-city differences should not exist over the long run, apart from reflecting differences in specialization and other structural conditions (Martin, 2003). This is the precondition of convergence models that have become popular in the 1990s (e.g., Barro & Sala-i-Martin, 2004)

As the concept of convergence has come under attack from many sides (Perry & Watkins, 1977), cumulative causation theory has been rediscovered in economic geography models, which directly incorporates a prediction of divergence into urban economic growth theories (e.g., Berger, 2009). One example is the reformulation of the Kaldorian model of urban cumulative competitiveness (Krugman, 1993; Setterfield, 1997). Key element of this model is a circular and cumulative process in which increased output leads to increased productivity, as a result of dynamic increasing returns to scale (i.e., the Verdoon's law) from a (demand-led) expansion of a city's tradable output. The output growth may induce technological change within and across firms in a city, through increased task specialization within firms, and/or through the accumulation of specific types of fixed capital. These technological advances increase the city's labor productivity and hence its (trade-based) competitiveness (Martin &

Simmie, 2008b). While these recent modifications certainly improve the original versions, export-based models still confine attention to a city's exports.

2.2.2 Localization and City Competitiveness

The cumulative causation models provided a basis for several ancillary models that perceive cities as source of increasing returns. This revival came along with the realization that these increasing returns not only help to explain the performance of cities, but that the spatial concentration of firms and industries in cities is itself an important source of increasing return in form of various economies of localization (Martin & Simmie, 2008b). Much of this work draws upon Marshall (1890), who emphasized three elements of localization: the accumulation of a skilled labor pool, the growth of specialized supporting and ancillary trades, and knowledge transfer and spillovers between firms. Moreover, he highlighted the 'local industrial atmosphere', by which he meant the locally embedded and commonly accepted routines, traditions, and social norms – akin to what might be labeled SC today – that fosters the creation of new ideas and business methods. Marshall's work has therefore given rise to a new tradition known as 'local innovative milieu' focusing both on traded and untraded competitive advantages that specialized industrial localization promotes (e.g., Camagni, 1995; Harrison, Kelley & Gant, 1996).

Hoover (1937, 1948) added urbanization economies – advantages related to city size that are not industry-specific – as another aspect of this increasing returns approach. Here, Jane Jacobs' (1968) work on urban growth theory provides a very influential contribution from both sociological and economic perspective. She argued that variety was an important aspect of such urbanization economies because the pools of urban assets can be drawn upon by all firms in a city without those firms necessarily interacting among themselves (Martin & Simmie, 2008b). Jacobs also draws attention to the fact that urbanization economies can all to

easily turn into diseconomies; in other words, that cities can lose their competitiveness and lose out to others (Martin, 2003). However, in some ways localization economies, especially urbanization economies, represent static externalities. Endogenous growth and neo-Schumpeterian models, on the other hand, are more concerned with dynamic processes of knowledge accumulation through localized interaction.

2.2.3 Knowledge and City Competitiveness

Endogenous growth and neo-Schumpeterian theories both place particular emphasis on the role of knowledge and technological change as sources of urban competitive advantage (Martin & Sunley, 1998). Under endogenous growth theory there are important increasing returns associated with the localized accumulation of skilled and knowledgeable workers. Education, 'learning by doing' and spillovers of knowledge are thus drivers of urban success (e.g., Lucas, 2001; Moretti, 2004; Romer, 1990). This perspective introduces human capital into the production function with investments in human capital generating spatially concentrated spillover effects which increase productivity of both physical capital and the wider labor force. Cities with spatial concentrations of high quality human capital have a competitive edge with respect to innovation over those that have not. The limits of commuting time and distance mean that much labor has to live within or near the city that is the source of income. Thus, one of the ways in which cities may compete is in terms of their abilities to attract and retain spatially concentrated pools of high quality labor (Martin & Simmie, 2008b).

Second, there are Schumpeterian innovation models of purposive profit-seeking research and development by firms (e.g., G. Grossman & Helpman, 1994; Harris, 2001; Vaz & Nijkamp, 2009). They assume that the prospect for temporary monopoly benefits stimulates firms to undertake research and innovation. These innovations subsequently become the

intermediate inputs to other firms, so that innovation drives competition and competition drives innovation. The local determinants of innovation, and entrepreneurship – a key source of innovative activity – thus assume a central role in explaining local differences in city performance (Martin, 2005). The diffusion of innovation and technology requires intellectual proximity among its stakeholders. Furthermore, absorptive capacity based on prior knowledge concentrated in urban economies is one of the key requirements of innovative firms and the urban economies in which they are located (Kallio, Harmaakorpi & Pihkala, 2009).

2.2.4 Clusters and City Competitiveness

Cluster-based theories are most closely associated with Porter (1990, 1998) and the so-called ‘new economic geography’ models of Krugman (1998, 2005). Porter’s model is by far the most influential and widely used model of urban growth and competitive advantage. His basic framework – the so-called ‘competitive diamond’ – is used to explain the competitive advantage of firms, industries, nations, and in his recent work, cities and regions, even local neighborhoods (Porter, 1990). The competitive diamond highlights four basic determinants of competitive advantage: (1) intense firm rivalry and competitive strategy, (2) favorable demand conditions, (3) the presence of specialist supporting industries and services, and (4) favorable factor supply conditions. The positive and mutually reinforcing interaction between these four sets of factors is considered crucial in order to produce competitive advantage and innovation among firms. According to Porter (1990, 1998), geographical proximity intensifies these interactions, which applies even more to firms in the same, or closely related, sector(s). Moreover, firms in clusters must be linked both vertically (buying and selling chains) and horizontally (e.g., use of the same specialized inputs) by commonalities and complementarities.

In his later work, Porter (1998) adds to the two basic elements of linkage between firms and geographical proximity a third important characteristic of a cluster: particularly the export-oriented clusters, not those serving the local demand, are the most important sources of competitive advantage and high productivity. Clustering also intensifies inter-firm rivalry and knowledge spillovers, both of which stimulate innovation, and thus higher productivity, increasing the export competitiveness of the firms in the cluster. The implication from Porter's cluster model is that for a city to be successful it must have one or more successful clusters of specialized, export-oriented activity. Krugman's (1998, 2005) 'new economic geography' models are very similar to Porter, except for the fact that they allow for the effect of external economies of market size arising from the presence of large, and not necessarily industrially specialized, urban agglomerations.

Even though Porter's cluster model has been enormously influential in policy circles, is not without its limitations and shortcomings (Martin & Sunley, 2003). It tells us little about how such clusters develop, or about why they can also decline; it says nothing about how clusters impact on the urban economy as a whole (and the 'non-cluster spaces'); nor is the evidence wholly supportive of Porter's claim that innovation is invariably higher among firms in clusters than in non-clustered firms (Martin, 2005).

2.2.5 Institutions, Culture and City Competitiveness

Institutional and cultural accounts of urban competitive advantage focus on the role of various 'soft' factors in shaping city performance in several different senses (Malecki, 2002). First, it is now generally recognized that the economy is in fact culturally and socially 'embedded', i.e., grounded in social structures and networks of social attitudes, values, and institutions (Martin & Simmie, 2008b). In this context, institutional thickness – the range and common orientation of local formal and informal institutions – is held to be especially

important (Amin & Thrift, 1995). Supportive institutions help to form a common sense of purpose and direction in the local economy by facilitating business development, innovation, labor skill formation, trust and cooperation amongst local firms (Cooke & Schienstock, 2000). The role of SC is also emphasized, though much harder to measure and identify (e.g., Casey, 2004).

The second way of thinking about urban competitiveness in ‘softer’ terms is associated with the importance given to quality of life factors in attracting educated labor, entrepreneurs and innovative firms to cities. Successful cities have an extensive array of cultural facilities – from panoply of restaurants to cinemas; from concert halls to art galleries – that make them pleasant and exciting environments in which to work and live (e.g., Bridge, 2006). In other words, the stock of ‘cultural capital’ is seen as key to urban competitive advantage.

A third perspective considers the whole shift of economic production itself to a variety of activities that involve cultural products and services, in particular the ‘creative or ‘knowledge’ industries that span arts, media, entertainment, fashion, design, etc. This is particularly the case in and around the central areas of cities where many traditional manufacturing or transportation industries have declined or died out altogether in recent decades (Cooke & Lazzeretti, 2008; Scott, 2006, 2010). According to analysts such as Florida (2002, 2005, 2010, 2012), the ability of a city to attract and cultivate a ‘creative class’ is the key driver of economic success. By their nature, the institutional and socio-cultural aspects of a city are neither easy to access, nor do we know much about their dynamics (for example how they co-evolve with the local economy). Yet, the increasingly accepted view is that they may play a formative role in local economic governance, and as such have a critical bearing on the relative competitive advantage of cities.

2.2.6 Holistic Models of City Competitiveness

Given these different – though to some extent overlapping – approaches, a rising amount of researchers synthesize from the available literature the different factors that need to be included to conceptualize city competitiveness. Kresl (1995) suggests that urban competitiveness depends on economic determinants (e.g., infrastructure, location) plus several strategic determinants (e.g., governmental effectiveness, urban strategy), whereas Kitson et al. (2004) identify six determinants that form the basis of a regional competitive advantage: productive capital, human capital, social-institutional capital, cultural capital, infrastructural capital and knowledge/creative capital. Martin (2005) considers city competitiveness as a continual and cyclical input-output model in which the local internal fundamentals (education, culture, etc.) and local external economies (knowledge spillovers, etc.) interrelate with its drivers (innovation, investment, etc.) and result in competitiveness (productivity, wages, GDP per capita, employment). Feldman and Martin (2005) apply Porter's (1996) activity system perspective to develop the concept of jurisdictional advantage. It emphasizes the importance of unique urban activity systems, consisting of a multitude of actors such as business firms, arts and civic organizations, professional associations, universities and individual citizens, that generate either a low-cost or differentiation advantage over other cities/jurisdictions.

Recently, the policy-driven concept of 'smart city' has become leitmotiv in discussions about cities and urban development models (Vanolo, 2014). The rather generic concept is based on the idea to use information and communication technologies to stimulate economic growth, and to embed software-enabled technologies into the fabric of cities to augment urban management (Kitchin, 2015). It also has a holistic perspective on urban development by distinguishing six conceptually distinct characteristics: smart economy, smart mobility, smart governance, smart environment, smart living and smart people (Giffinger, Fertner, Kramar, Kalasek, Pichler-Milanovic & Meijers, 2007). This classification of urban smartness by

Giffinger et al. (2007) is present in most literature on smart cities, for example Caragliu, Del Bo and Nijkamp (2009) and Lombardi, Giordano, Farouh and Yousef (2012). However, Vanolo (2014) points out that the division into six characteristics runs the risk of neutralizing and depoliticizing political choices (e.g., labor market flexibility vs. social cohesion). Moreover, the concept has been criticized for its too unideological, commonsensical and pragmatic discussion in the literature. It lacks theoretical foundation, detailed genealogies, and in-depth empirical case studies, while using one-size-fits-all narratives and canonical examples (Kitchin, 2015).

In sum, the literature survey showed that, in one sense, urban competitiveness has to do with the ability of a city to generate sufficient levels of exports to sustain rising income levels and full employment. Yet, the productivity of locally-oriented economic activity is also crucial (especially given the trend for large city-regions to depend on non-traded services). Furthermore, the notion of urban competitiveness is as much about qualitative factors and conditions (such as untraded networks of informal knowledge, trust, and cultural assets) as it is about quantifiable attributes and processes (such as inter-firm trading or labor supply). It resides both in the competitiveness of its constituent individual firms and their interactions, and the wider assets and social, economic, institutional and public attributes of the city itself (Martin, 2003). However, even though the literature survey has highlighted several key determinants that are relevant for understanding urban performance, what also matters is *how* these drivers are supposed to develop and interact within an urban setting. Each does tend to emphasize certain factors; to what extent it is possible to combine these various accounts into an overarching ‘general theory’ is yet an unresolved issue (Martin, 2015; Martin & Simmie, 2008b)

Theoretical roots	Dominant paradigm	Contributors	Implications for city competitiveness
Macro-economics	(Neo-)classical growth theory	Sala-i-Martin (1996)	Key source of competitiveness is trade that is based on differences in key locational endowments (e.g., natural resources, labor supply).
Macro-economics	Export-based theory	Rowthorn (2000)	Key source of competitiveness is the export sector (i.e. the productivity of the tradable base) that acts as a multiplier for non-tradable activities via the stimulation of incomes, investment and productivity.
Development economics	Cumulative causation theory	Setterfield (1997)	Key source of competitiveness is the expansion of a city's demand for exports as a results of dynamic increasing returns to scale, in which increased output leads to increased productivity.
Macro-economics/ Sociology	Localization/urbanizations economies	Marshall (1890)	Key source of competitiveness is the size of the industry or city that leads to an increase in productivity because of input sharing, labor market pooling, and knowledge spillovers.
Macro-economics	Endogenous growth theory	Martin and Sunley (1998)	Key source of competitiveness is the accumulation and attraction of educated and skilled human capital. The localized concentration of skilled workers leads to knowledge creation and spillovers that enhance innovation.
Entrepreneurship	Neo-Schumpeterian theory	Harris (2001)	Key source of competitiveness are innovative activities. The prospect for temporary monopoly benefits stimulates firms to undertake research and innovation. Innovation becomes input to other firms, which subsequently drives competition.
Business strategy	Cluster theories	Porter (1990, 1998)	Key source of competitiveness are local clusters of export-orientated industrial specialization, which intensify inter-firm rivalry and knowledge spillovers both leading to innovation and thus local economic growth.
Economic sociology	Institutional theory	Amin and Thrift (1995)	Key source of city competitiveness is a well-developed set of locally embedded informal and formal institutions with a common orientation. To develop this institutional 'thickness', the role of SC is emphasized.
Urban studies	Cultural theory	Florida (2002, 2005, 2010, 2012)	Key source of city competitiveness is the cultural capital of a city that attracts and cultivates a creative class. Therefore, to attract these creative and entrepreneurial workers, cities should improve the local quality of life by enriching local amenities and cultural infrastructure.
Business strategy	Corporate strategy – activity systems	Feldman and Martin (2005)	Key source of competitiveness are unique activity systems whose individual activities fit well together and reinforce each other.
Urban studies	Smart city	Caragliu et al. (2009)	Key source of competitiveness is the use of information and communication technologies to stimulate economic growth in six sectors (economy, mobility, governance, environment, living and people).

Table 1: Theoretical Perspectives on City Competitiveness. Adapted from Martin (2005)

2.3 BIDs and City Competitiveness

“Described by *The Economist* as potentially ‘the best hope of getting parts of America’s cash-strapped cities working again,’ BIDs are generating a great deal of excitement among city governments and urban policymakers around the world” (Ellen et al., 2007, p. 1).

With a total of over 1,400 BIDs worldwide (Grodach & Ehrenfeucht, 2016), they are a fast-growing dimension of urban governance, taking over additional responsibilities for place-making and service delivery (Briffault, 1999; Houston, 2003; Mitchell, 2001), hereby trying to increase an area’s prosperity and provide a local competitive advantage (Ratcliffe & Flanagan, 2004). This is also reflected in the considerable size of BID literature that has been built in recent decades (Morçöl & Gautsch, 2013). Despite its widespread adoption and use, there is no standardized naming convention or definition for BIDs (Davies, 1997; Hoyt, 2005b). Usually, the nomenclature as well as the rules for establishing and operating BIDs are set forth by state-enabling legislation, thus a range of names such as business improvement areas (Canada), neighborhood improvement districts (Pennsylvania), or city improvement districts (South Africa) exists (Hoyt & Gopal-Agge, 2007). For the purposes of this discussion, we use the term ‘BID’ to refer to such entities and use the definition of Morçöl and Wolf (2010, p. 906), who define BIDs as

“self-assessment districts that are usually initiated and governed by property [and/] or business owners, enabled by state laws, and authorized by local governments to provide public services in designated urban and suburban areas”.

The BID model is controversial and as it transfers from one nation to the next, academics and practitioners have raised more questions than answers regarding the effect of BIDs on issues such as democracy, accountability, and the regulation of public space (Hoyt & Gopal-Agge, 2007). To give an overview of the BID literature and elaborate some of these issues, I distinguish four levels, at which BIDs and their impacts have been analyzed.

2.3.1 BID Level

At the BID-level, researchers investigate what services BIDs provide and how effective they are (e.g., Mitchell, 2001), and which implications BIDs have for democratic participation and accountability (e.g., Briffault, 1999; Hochleutner, 2003; Justice & Skelcher, 2009).

Literature on BID measures usually lists the provision of sub-municipal local goods like sanitation, security, and capital improvements as universal driver of BIDs (Hochleutner, 2003; Mitchell, 1999). Research on BIDs in NYC suggests that the range of services also depends on BID size (Gross, 2005, 2013), where small BIDs attend to physical maintenance, mid-sized BIDs on marketing and promotional activities, and large BIDs encompass the entire range of activities, including capital improvements. In chapter 4, I show that the kind of BID activities not only depend on the BID size but also on the SC structures within BIDs and their community.

However, while studies typically assume that BIDs deliver enhanced services and improvements in their prescribed areas, Mitchell's (1999, p. 7) research found that only about half of BIDs had a system for measuring their success. Still, there have been a few attempts to isolate the impact of BID measures on their service areas, by looking at either reported crime outcomes (e.g., Brooks, 2008; Hoyt, 2005a) or at property values (Ellen et al., 2007). Many researchers have acknowledged the importance of performance measures and proposed different methods and frameworks (Hernandez & Jones, 2005; Hogg, Medway & Warnaby, 2004; Riviezzo, de Nisco & Rosaria Napolitano, 2009). However, critics argue that most monitoring systems are inadequate because they fail to separate the effects of extraneous variables that influence the real impact of BIDs (Caruso & Weber, 2006, p. 203). Moreover, there is considerable debate in the literature on the subject whether certain BID activities (such as security or maintenance) over-regulate public space (e.g., uniform BID personnel banishing homeless people) (e.g., Steel & Symes, 2005) and whether BID-driven marketing

campaigns create homogenous places with uniform street furniture and generic streetscapes that dilute the vitality of the areas instead of revitalizing them (Caruso & Weber, 2006, p. 205).

Since their inception, BIDs have raised concerns about their democratic nature and accountability. First, critics regard the success of BIDs as failure of the public sector to provide services, potentially de-legitimizing the public sector (Briffault, 1999; Morçöl & Patrick, 2006; Schaller & Modan, 2005). Second, researchers disapprove the organizational structure of BIDs with property owners having voting rights in their favor, which only serves the interest of and concentrates the power with the privileged ‘club’ of property and business owners at the expense of less privileged residents (Hoyt, 2005b; Loukaitou-Sideris, Blumenberg & Ehrenfeucht, 2004). And third, BIDs have been criticized for being autonomous legal entities that are not accountable to the district’s residents, the jurisdictions in which they operate, or the BID’s business and property owners’ constituents (Briffault, 1999). The question of accountability here is essentially a matter of the city government’s willingness to engage in a system of regularly monitoring BIDs (Hoyt & Gopal-Agge, 2007) and as studies on BID performance measures show, BIDs rarely do a system performance evaluation (e.g., Caruso & Weber, 2006).

2.3.2 Community Level

Most BID studies have an internal focus, only a few studies have analyzed BIDs within their larger context of community environments. Chapter 4 of this dissertation can be regarded as a contribution to this field of research. Gross (2005) developed her typology of BID size and services in a variation of community contexts and suggested that the analysis of internal and external contextual factors is important for adequately targeting the role of BIDs towards the development needs of a community. Similarly, MacDonald, Stokes and

Bluthenthal (2010) analyzed 30 BIDs and their neighborhoods in Los Angeles and found that their operational priorities are associated with underlying community conditions and economic development concerns. They highlight the fact that understanding the political economy within the community is more important for the BID's role in enhancing city performance than the simple adoption of BIDs.

Furthermore, several researchers are concerned with the question whether BIDs create positive or negative spillover effects to neighboring areas. Particularly, critics worry about the effect of BID services (esp. BID service patrols) on displacing crime and other problems outside service boundaries (Garodnick, 2000; P. Jones, Hillier & Comfort, 2003). Empirical results to this question have been mixed. Calanog (2006) concluded that BIDs may be responsible for displacing crime outside their boundaries in Philadelphia, while in Hoyt's (2005a) analysis, lower crime rates in BIDs are not matched by higher crime rates in the surrounding blocks. Other spillover effects are found by Ellen et al. (2007). They completed a study on the impact of BIDs on property values in NYC and found, even though substantially smaller, positive spillover effects on BID-neighboring properties. Such studies underscore the necessity of developing sophisticated models to evaluate the impact of BIDs on their surrounding communities (Hoyt & Gopal-Agge, 2007; MacDonald, Stokes, et al., 2010).

2.3.3 City Level

Even though BIDs concentrate primarily on the individual, sub-municipal community or neighborhood, BID researchers have raised questions concerning the city at large. They analyzed the interaction of BIDs with their local governments, their role in urban governance networks and discussed their ability to effect larger economic and social change.

It is clear in the literature that BIDs have blurred the line between the traditional notions of 'public' and 'private' (S. Grossman, 2012). In response, researchers have analyzed the

expanded relations of BIDs to their local governments (e.g., Morçöl & Wolf, 2010; Wolf, 2008). These studies indicate that BIDs are both autonomous and interdependent with governments, and suggest that governments are becoming more dependent on BIDs with them taking over more responsibilities for service delivery, and the legal and de facto governmental authority they exercise (Mitchell, 2008). The researchers observed that BID-government relations form a continuum from adversarial to collaborative, with a majority of collaborative relationships (Wolf, 2008). The prevalence of collaboration in BID-government relationships might not be surprising, because quite often the two parties share the common purpose of economic revitalization. However, the few studies that have analyzed BID-government relationships usually neglect the public side and focus on the private dimension of the partnership (S. Grossman, 2008). Chapter 5 of this dissertation goes beyond these existing studies to uncover four different types of BID-government relationships based on their linking and bonding SC patterns. I show how the partnership's network of relationships, inherent interests and capabilities enable (or inhibit) public and private actors to strategically plan, coordinate and implement BIDs and their service measures.

Moreover, researchers have put forth the 'new governance' and 'network governance' paradigms that examine all for-profit and nonprofit organizations involved in public policy making and service delivery to offer a better understanding of the type of relationships and power differentials among BIDs, between government and BIDs, and the centrality of BIDs in relation to other actors (Lewis, 2010; Morçöl & Patrick, 2006; Morçöl, Vasavada & Kim, 2014; Morçöl & Wolf, 2010; Morçöl & Zimmermann, 2006). Morçöl et al. (2014) found in their longitudinal case study in downtown Philadelphia that the director of the BID, the city council, and mayors were the most central actors in the governance network, with the BID director being more central than other legally sanctioned actors. His role was more diverse and resembled those of mayors over the years. On the other hand, Hochleutner (2003) and

Garnett (2010) argue that BIDs only deliver a limited range of public services and are actually not that important. These contradictory observations about the significance of BIDs in urban governance can be also seen in the different conceptualizations of BIDs. Morçöl et al. (2014) distinguish: (1) BIDs as tools of governmental policies, i.e., they are merely instruments of government actors, being charged with the implementation of one or more public policy goals (Justice & Goldsmith, 2008); (2) BIDs as private governments, i.e. their commercial interests and power rivals those of local governments because it is usually private organizations, such as chambers of commerce, that create and directly manage them (Baer & Feiock, 2005; Lavery, 1995); or (3) BIDs are actors in urban governance networks shaping collective action and determining public policy goals as one actor in a more complex polycentric system of governance (Morçöl & Wolf, 2010).

Similarly, the controversy about the BID's significance is reflected in the researchers' discussions on the BID's ability to effect larger economic and social change at a city-wide level. MacDonald, Stokes, et al. (2010) come to the conclusion that only a few BIDs have the scale of operations, staff or budget to create systemic change. They should not be expected to solve social problems related to poverty, unemployment, and crime. Rather, BIDs can provide better management of public spaces, but efforts such as employing private security officers might only have systemic effects in larger BIDs. Greenblatt (2006) offers a compelling comparison to highlight the relative magnitude of the BID model's contribution. In comparing statistics between downtown and suburbs, he points out that "downtowns are still relatively small potatoes in the broader economic scheme of things" (p. 572), as few downtowns have attracted as much residents as the millions being drawn to the suburbs. Ratcliffe and Flanagan (2004) support this argument and suggest that BIDs "cannot fundamentally alter the economics brought by a property enhancement project like a hotel or an entertainment project" (p. 394). On the other hand, the majority of studies agrees that BIDs become more

central actors in urban governance networks and influence wider policy areas. The BID model is commonly perceived a “net contributor to public life” (Briffault, 1999, p. 477), generally functioning to harness private sector creativity, and solving complex municipal problems efficiently and effectively (Garodnick, 2000; Mitchell, 2001)

2.3.4 Trans-local Level

As globalization unfolds, BIDs find seemingly worldwide application (Ward, 2006, 2007). In this context, some scholars have analyzed the processes and agents involved in the international circulation of the BID model and its local embeddedness. They explore the role of global circuits of knowledge and the ways in which the model has been adopted and reshaped in different cities worldwide in the context of ‘urban policy mobilities’ (Hoyt, 2003; E. McCann, 2011; E. McCann & Ward, 2011; Peyroux, 2006; Peyroux, Pütz & Glasze, 2012; Ward, 2006, 2007). In their literature review, Peyroux et al. (2012) explain the spread of BIDs in conceptually three different ways: (1) the hegemonic discourse on entrepreneurial city across several world regions aligns urban policy objectives, which results in the adoption of similar solutions (such as BIDs) across different geographical contexts; (2) selected ‘best practice’ BIDs in NYC and Philadelphia serve as empirical evidence of the BID’s model success and as study trip destinations for urban decision-makers wanting to establish a BID in their home towns; and (3) international organizations, such as the International Downtown Association¹, are influential in promoting the circulation of the BID model with their network and special conferences.

There are also complementary perspectives to the internationalization of the BID model.

¹ The International Downtown Association is a network of more than 650 members, including public agencies, practitioners, non-profit-organizations, and for-profit corporations and businesses producing expert knowledge and strategies for creating healthy and dynamic downtowns worldwide (International Downtown Association, 2017).

Peyroux (2012) looks, for example, at the local reinterpretation of the BID model in South Africa. She shows how the private sector justified the adoption and shaped its appropriateness in the context of Johannesburg. At the trans-local level, there is still need for more systematic comparative research across diverse urban experiences, while allowing for a more context-sensitive analysis (Peyroux et al., 2012).

In sum, the literature review proved that, despite some concerns and debates that have surfaced the literature, the fact remains that in the domain of urban revitalization, the BID model has been at the forefront worldwide. In this context, researchers have created a vast collection of BID studies at a variety of spatial scales. Most research has a BID-internal focus, the expanded relations of BIDs to other actors within the urban governance network remain an under-researched topic. Additionally, research on the BID management challenges is limited; there is still a lack of micro-level insights on the actual management of BIDs, the managerial capabilities needed for private BID managers and local government officials, and on the question what BIDs can do to improve their performance (S. Grossman, 2008; Morçöl & Wolf, 2010). Equally, there exists no clear picture on the role of BIDs for overall city performance due to problems in isolating the impact of BID measures from BID-exogenous factors. Based on this literature review on city competitiveness and BIDs, the following chapters will address some of the identified shortcomings.

3 Resource Orchestration as Source of Competitive Advantage of Cities

3.1 Introduction

‘Strategic Management’ is an academic as well as a practical discipline that traditionally takes the business firm or specific subunits, such as strategic business units or value-adding resources and capabilities, as its core unit of analysis (Schendel & Hofer, 1979), although more recently there are also many contributions which focus on more broadly defined entities, such as strategic alliances (Das & Teng, 2000) or industries (McGahan, 2004). In this chapter, we argue that the strategic management discipline can and should contribute to the analysis and development of *cities* (Audretsch, 2015). Cities around the world are grappling with how to effectively manage the impact of rapid urbanization. Climate change, aging infrastructures, and inclusive economic growth are some of the most pressing issues. Though these issues may vary in type and severity from city to city, there is a unanimous sense of growing urgency that they need to be addressed as part of the ‘grand challenges’ the world is facing (Eisenhardt, Graebner & Sonenshein, 2016). In this context, many cities around the globe have started to develop e.g. ‘smart’ or ‘sustainable’ city strategies. However, to deliver the required transformational change, policymakers, administrators, businesses and other urban actors need to develop unique competencies and resources collaboratively in order to foster competitiveness based on a sound determination of the city’s competitive advantages (Feldman & Martin, 2005); a question that lies at the heart of strategic management research (Barney, 1991; Porter, 1985; Sirmon et al., 2011). In response to the call on the management community to refocus on real-world problems, rather than on “arcane” academic questions (J. Walsh, Tushman, Kimberly, Starbuck & Ashford, 2007, p. 130), management research must also concentrate on cities, as they will be a significant part of what defines our future. Barber (2013) argues that cities, and not nations which increasingly tend to suffer from their non-

governability, constitute the level of analysis and action which has the most favorable prospects in our search for problem solutions in today's burning world.

Porter (1990, 1997, 2003) was the first management scholar to apply his model of competitive advantage of firms to nations, cities or places. He propelled the belief that a city can be treated as a black box in which its economic profitability largely accounts for competitiveness. As this view was criticized for its blind transfer onto places of concepts relevant only to firms (e.g., Bristow, 2005, 2010; Cochrane, 2007), the discussion abandoned the Porterian micro-economic view and adopted macro-economic conceptualizations of city competitiveness (e.g., Malecki, 2002; Storper, 1997). Scholars from the areas of economics, economic geography and urban planning then took over the competitiveness debate (Florida, 2010; Kresl & Ietri, 2012; Martin, 2006). Despite the relative popularity of the topic, however, their findings are fragmentary and incomplete, exhibiting a narrow focus on static conceptualizations of competitiveness (Bristow, 2005, 2010). Moreover, various studies have looked at how cities perform in economic, environmental, and social terms ranking them accordingly (e.g., DeVol, Wallace & Bedroussian, 2013); however, such rankings do not tell us what actors concerned with the management of their cities must do to improve competitiveness. Instead, cities are again treated like a black box through which certain inputs (e.g. innovation, human capital) flow into revealed outputs (e.g., GDP per capita, unemployment rate) (Greene, Tracey & Cowling, 2007). No coherent theory has been proposed to explain *how* a city can create and sustain a competitive advantage to ensure urban prosperity in terms of attractiveness for (old and new) citizens and representatives of the "creative class" (Florida, 2002, 2010, 2012), including business firms.

This critical assessment also applies to the New Public Management wave that entered local administrations two decades before the competitiveness mantra became the essence of most developed countries' economic policies (e.g., European Commission, 2012). Based on

the assumption that competitive relationships between independent departments within a public policy domain lead to better organizational performance, many articles have aimed to render the public sector more efficient, cost-effective and competitive (e.g., Agranoff & McGuire, 2004; Boyne, 1998). Though efficient local administrations can be considered one factor in a city's competitive advantage, however, this administrative focus is too narrow. City competitiveness is a multidimensional phenomenon that does not only take place at the administrative level (Boschma, 2004). Thus, none of the research streams has fully addressed the urban equivalent of a sustained competitive advantage.

This chapter is intended to begin filling this research void. By extending the resource-based theory (RBT), especially its dynamic refinement, the theory of resource orchestration (Chirico, Sirmon, Sciascia & Mazzola, 2011), to the analysis of cities, we try to explain the process of how cities can achieve and sustain a competitive advantage. From the RBT perspective, the competitive advantage of cities is seen to derive from a city's unique resource base. However, as competitive environments are becoming more dynamic due to greater mobility of capital, intense competition within product markets, resource scarcity and rising unemployment, cities must occasionally renew their resource bases to remain competitive. We therefore emphasize the need for people and organizations to focus on the actual processes of strategically managing resources and developing capabilities that render this renewal possible. We argue that cities can create competitive advantages by (a) structuring their resource portfolio, (b) bundling resources to capabilities, (c) leveraging capability configurations and (d) continuously synchronizing each activity. Hereby, we contribute to the field of strategic management by showing that the RBT and the theory of resource orchestration can be usefully applied to cities and proving that strategic management theory can provide insights into pressing strategic issues. Secondly, we elaborate the theory of resource orchestration by specifying the capabilities needed to govern resources in network

structures. Furthermore, we add a dynamic, process perspective to the analysis of cities, shedding light on the question how cities gain a competitive advantage. We claim that these insights also have an immense practical relevance, as indicated above, and we give a number of recommendations throughout the text.

In the first section, we summarize the relevant theories of city competitiveness and explain why we extend the theory of resource orchestration beyond the scope of the firm. We then develop a conceptual framework for a dynamic resource-based analysis of city competitiveness, describing how resources are orchestrated and synchronized within the urban system. We explore each of the resource orchestration components' processes in the city context and define the capabilities needed in each step. We conclude with implications and offer recommendations for future research on the strategic management of cities.

3.2 Theoretical Background: City Competitiveness and Resource Orchestration

Several theoretical approaches may serve as candidates for explaining city competitiveness. Early trade theories focus on the static concept of comparative advantage, explaining differences in economic success based on inherited factor endowments. Neoclassical growth theory, for example, emphasizes the importance of differences in labor/capital ratios and technology (Sala-i-Martin, 1996), while export-based theories highlight the role of the regional or local export sectors as multipliers for non-tradable activities (e.g., Simmie, 2002b). The new competitive advantage paradigm emerged in the 1980s, positing that nations or places can enhance their competitive position through efficiencies in their means of production (Porter, 1985). Endogenous growth and neo-Schumpeterian approaches focus more specifically on the accumulation of skilled workers, innovation and entrepreneurship as key drivers of urban competitive success (e.g., Asheim et al., 2006; Martin & Sunley, 1998). Cluster theories stress the importance of clusters of traded

industries and spillover effects (Porter, 1998, 2003), while the evolutionary perspective emphasizes the ability of an urban economy to adapt to dynamic markets, new competitors and technologies. It asserts that a city's competitive advantage is a complex outcome of its historical, path-dependent development as well as its capacity to create new development trajectories (Boschma, 2004; Martin, 2011). Feldman and Martin (2005) apply Porter's (1998; 2008) activity system perspective to develop the concept of jurisdictional advantage, which emphasizes the importance of unique urban activity systems that generate either a low-cost or differentiation advantage over other cities/jurisdictions. Amid the apparent global shift towards a 'knowledge-based economy', economic geographers have advanced several overlapping concepts – such as 'relational assets' (Storper, 1997), 'learning regions' or cities (Cooke & Morgan, 1998) and 'institutional thickness' (Amin & Thrift, 1995) – which stress the importance of knowledge and learning. To this list may be added a looser body of theory that attributes city success to soft location factors such as an open and diverse cultural base that attract a 'creative class' (Florida, 2002, 2010, 2012) or the level of social capital (e.g., Wolfe, 2013). Given these different theoretical contributions, a rising amount of literature synthesizes various factors that need to be included to conceptualize alternative models of city competitiveness (e.g., Budd & Hirmis, 2004; Kitson et al., 2004; Kresl, 2007).

What most of these conceptualizations and theories fail to explain, however, is *how* these different factors depend on and interact with each other and what cities can actually do to improve their competitive capacity. Indeed, the very concept of city competitiveness remains vague (Kitson et al., 2004) and markedly under-theorized (Greene et al., 2007). Current conceptualizations treat the city as a black box whereby diverse input factors flow through the city into 'revealed' output factors: these formulations say little about the underlying complex process on which they depend (Gardiner, Martin & Tyler, 2004).

We argue that the RBT and theory of resource orchestration show promise in their ability to explain how cities can achieve a sustainable competitive advantage. The theory of resource orchestration, an emerging research stream grounded in the RBT and dynamic capabilities view (Eisenhardt & Martin, 2000; Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece & Winter, 2009; Sirmon et al., 2011; Teece, 2007), has developed out of the criticism that RBT focuses solely upon the firms' 'advantage-creating' strategic resources (Amit & Schoemaker, 1993; Barney, 1991) and largely ignores the process through which strategic resources lead to competitive advantage and high performance, i.e., how a firm develops, manages and deploys its resources strategically (Crook, Ketchen, Combs & Todd, 2008; Priem & Butler, 2001). Resource orchestration theory addresses the role of managers' actions to effectively structure the firm's resource portfolio, bundle resources into capabilities, and leverage the capabilities to create value for customers, thereby achieving a sustainable competitive advantage for the firm (Sirmon et al., 2007; Sirmon et al., 2011).

We assume that the RBT and its refinement may be usefully applied in the city context, as there is nothing inherent in the RBT that excludes its application to collectivities (i.e., cities) (Foss, 1999). Adopting a RBT perspective also has implications for what one means by a city: We characterize it, in accordance with Penrose's (1959) logic, as bundles of human and non-human resources, including routines and capabilities. However, one crucial difference between firms and cities are the boundaries of interaction. Whereas in RBT firm capabilities are mostly formed by interactions within the firm, in cities the relevant interaction will tend to take place between multitudes of firms, public institutions, non-governmental organizations and individuals forming diverse relationships and evolving together (Jacobs, 1961; Turok, 2009). Or, as Glaeser (2011, p. 5) put it: "Cities are the absence of physical space between people and companies. They are proximity, density, closeness." As such, the different

interactions and means by which relationships develop and are sustained between actors become a central concern.

3.3 Dynamic Resource-Based Model of City Competitiveness

We draw on the basic propositions of resource orchestration theory to present a process model (see Figure 2) explaining how cities build competitive advantages by (a) structuring the resource portfolio, (b) bundling the resources to capabilities and (c) leveraging these capabilities (e.g., Sirmon et al., 2007; Sirmon et al., 2011). Importantly, each action and related sub-processes are more useful, when (d) properly synchronized (Hitt, Ireland, Sirmon & Trahms, 2011; Holcomb et al., 2009), as urban processes and policies interact, are often fragmented, or worse, conflicting, which may lead to perverse outcomes.

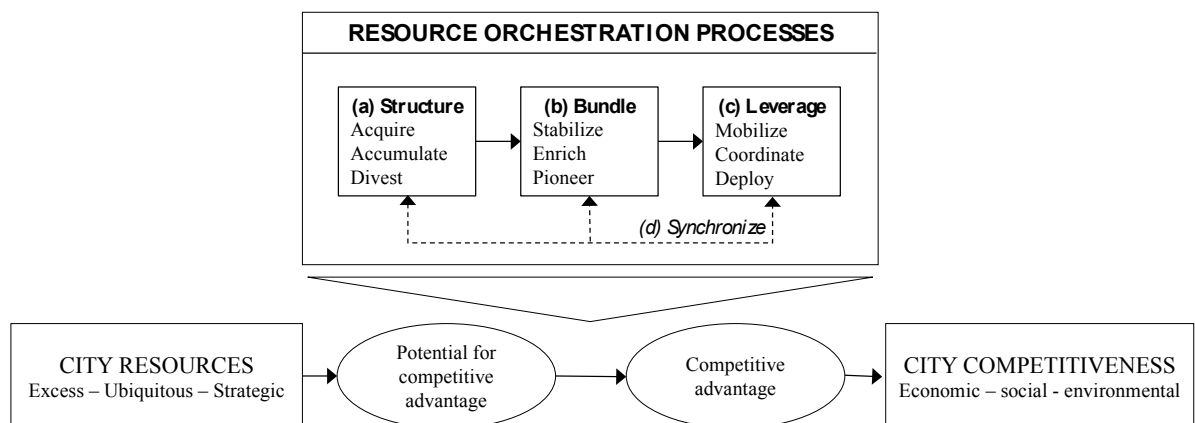


Figure 2: Resource Orchestration Processes and City Competitiveness

We consider city competitiveness as a multidimensional phenomenon, combining numerous underlying tangible and intangible factors operating simultaneously at various spatial scales (Huggins & Thompson, 2017). It includes not only the economic perspective in terms of a city's attractiveness for businesses and for investments but also social and environmental dimensions (Jiang & Shen, 2013). Bringing a sustainability lens to a city's

competitiveness strategy is necessary to reduce environmental risks and costs, ensure social justice, drive quality of life, and build intangible city identity – all of which contribute to competitive advantage. Even though creating city competitiveness is a collaborative process involving government at different levels, private sector, teaching and research institutions and citizens, the model was developed from the viewpoint of the political-administrative system as institutional and administrative resources and capabilities have considerable influence on the competitiveness of their cities. We describe each resource orchestration action and the dynamic capabilities needed (see Table 2) through examples drawn from various urban policy domains.

3.3.1 Structuring the Resource Portfolio

Resource structuring decisions are based on a sound determination of a resource's contribution to a competitive advantage. We therefore distinguish among three types of resources lying on a continuum defined by excess and strategic resources at the extreme ends and ubiquitous resources in the middle: (1) Excess resources do not contribute to developing a competitive advantage, but rather represent a liability for the city (e.g., old industrial sites). Lacking these resources would reduce the city's tangible (e.g., investments, maintenance) or intangible (e.g., opportunity cost, political attention) costs without surrendering a current competitive advantage. (2) Ubiquitous resources are practically available in every city regardless of the local context (low local specificity: e.g., the provision of police, water, and street lighting).² No city can build competitiveness on ubiquities alone; however, they are not unimportant, as cities that fail to attain parity on such assets may be at a competitive disadvantage (e.g., a city not serviced by a railway line). (3) Strategic resources are valuable,

²This assumption may not hold for some parts of the world, excluding the provision of those basic services from the list of ubiquitous resource.

Sub-processes	Capabilities	Description
Structuring		
Acquiring	Procuring capabilities	Ability to efficiently select resources complementary to the resource stock and to design and implement contracts.
Accumulating	Knowledge management capabilities	Ability to explicate, share and build up knowledge resources.
Divesting	Visionary capabilities	Ability to sense and presence the emerging opportunities and the ability to remove the institutional barriers and bureaucratic rigidities that block divestment and change processes.
Bundling		
Stabilizing	Maintenance capabilities	Ability to develop a strategy for infrastructure maintenance and to manage infrastructure assets with the goal to preserving and extending the service life of long-term infrastructure assets.
Enriching	Integrative capabilities	Ability to overcome silo structures and link complementary resources or resource bundles in order to establish mono-functional innovation networks
Pioneering	Combinative capabilities	Ability to recombine resources from various fields in order to establish multifunctional innovation networks
	Absorptive capacity	Ability to value, assimilate and apply new knowledge resources from the city-external environment.
Leveraging		
Mobilizing	Leadership capabilities	Ability to induce actions that guide the resources and processes of a networked system in a desired direction.
	Strategic capabilities	Ability to bring to the fore and define visions and strategies for urban development in a collaborative process and transform these visions into focused strategies and actions.
Coordinating	Adaptive governance capabilities	Ability to establish organizational and institutional infrastructures that coordinate multiple activities and actors and the ability to re-coordinate these processes in a dynamic environment.
Deploying	Socialization capabilities	Ability to share experiences and mental models to produce a shared set of common habits, practices, and routines among actors.

Table 2: Resource Orchestration Processes and Capabilities

rare, inimitable, and non-substitutable (VRIN criteria); thus, potentially generating a sustainable competitive advantage (Barney, 1991). Their value derives from unique place-specific characteristics (high local specificity) that cannot easily be replicated elsewhere (Foss, 1996); these include traditional physical resources such as ports (Gordon, Lee & Lucas Jr, 2005) and intangible qualities such as a city's appeal of particular lifestyle (Florida, 2002).

Policymakers decide how to structure their resource portfolio after assessing where their cities' resources lie on the continuum. Structuring decisions lead to the public-private nexus, requiring politicians to be able to determine which ownership model (i.e., fully private, collaborative, fully public) works best for which kind of resource (see Figure 3). The RBT assumption is that to be competitive, direct control is most important for mission-critical strategic resources due to their strong policy impact. This suggests that cities with public control over their strategic resources and (partially) private or voluntary sector provision of excess and ubiquitous resources are more successful than cities with different ownership structures. However, placing publicly owned resources into the hands of private actors might lead to conflicts: it is rational to expect that pressure on private managers for cost reduction will lead to quality shadings, ultimately destroying public value (e.g., prison crisis in California) (Kivleniece & Quelin, 2012; Klein, Mahoney, McGahan & Pitelis, 2013). As the social welfare consequences of full private ownership are unclear, we suggest public-private collaborations in order to align public and private interests, rather than handing over public sector services to private operators. Structuring encompasses the sub-processes of (i) acquiring, (ii) accumulating, and (iii) divesting resources (Sirmon et al., 2007) as explained below.

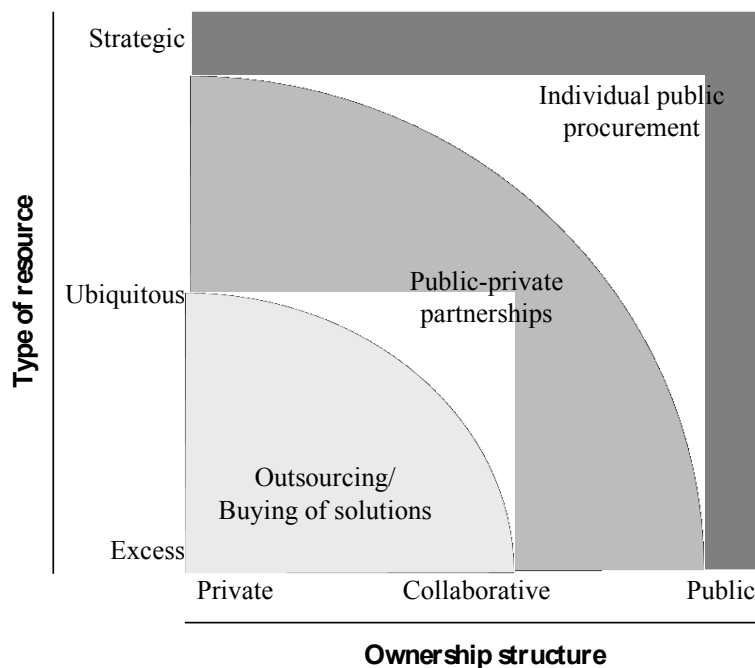


Figure 3: Type of Resource and Ownership Structure

Acquiring is the process of procuring resources from strategic factor markets (e.g., land, street lights) and/or other, not freely traded, resources owned or controlled by public organizations (e.g., police services). The procurement function is strategically important in increasing the competitive advantage of a city because it can support wider political, social and ecological policy goals, serves as an opportunity for cities to (re-)gain control over sensitive policy areas (Wollmann & Marcou, 2010), generate revenue (Reichard & Röber, 2012), and stimulate innovation (e.g., Rolfstam, 2012).

According to Barney's (1986) strategic factor market theory, the only way to generate economic rents through resource acquisition is to develop a superior resource-picking skill – in other words, to systematically develop expectations about the resource's future value that are more accurate than are those of other resource market participants (Makadok, 2001). Valuing resources within the complex multi-actor system of a city is challenging: whereas private managers focus on a resource's strategic value for the firm, senior administrators and

politicians have to combine these concerns with the need for accountability and citizens' and/or firms' (i.e. collective) preferences (Alford, 2002). Extending factor market theory, Adegbesan (2009) shows that firms exhibiting superior complementarity with target resources profit from acquisitions. We similarly suggest that cities are more competitive when buying resources that can be integrated into and complement existing resource stocks. Solely following the 'hypes of the day' by diverting resources into gimmicks to grab attention (e.g., sporting spectacles) may not prove promising, as such acquisitions often do not fit to existing resource stocks and at worst make one city more comparable to another (Musterd & Kovács, 2013; Turok, 2009). A sustainable competitive advantage is more likely to arise from acquisitions that are tailored to the city's indigenous resources and capabilities, rather than from a race towards distinctiveness based on imported ideas. Thus, procuring capabilities encompass the ability to select citizen- and/or firm-oriented, complementary resources.

In his public value paradigm, Stoker (2006) proposes an open-minded relational approach to procurement that includes continual benchmarking, consulting with users and open competition to identify the best supplier. This fits well with Hughes' (2006) rejection of a one-size-fits-all approach to procurement and contracting. Selecting the most appropriate means of managing relationships and then negotiating and putting such systems in place present an enormous challenge to administrators' procurement capabilities. The "best" bidder is often not the winner (Marques & Berg, 2011) due to problems in the preparation of the public tender documents (i.e. incorrect allocation of risks, no effective monitoring), putting cities at risk of acquiring overpriced systems. Thus, the ability to design and implement regulatory contracts is essential for the acquiring process.

Accumulating is the act of creating and managing existing resources³ (especially knowledge) that are not freely tradable (Dierickx & Cool, 1989). In cities, public research produces many reports, educational organizations disseminate this knowledge achieved through research and public or private sector actors gather experiences by learning-by-doing or learning-by-experience to improve goods and services. However, this knowledge is fragmentary and highly distributed among various actors, thus difficult to locate or share. Consequently, it is often redundant, inconsistent or unused. Therefore, we believe that knowledge management capabilities, including the ability to explicate tacit knowledge, collect and share explicit knowledge resources and help urban actors to increase their tacit knowledge (Harmaakorpi, 2006; Harmaakorpi & Melkas, 2005), are essential for accumulating. For knowledge to be shared, it must first be made conscious and articulated through an externalization (Nonaka & Takeuchi, 1995). Campbell (2012) suggests that cities, in which the main actors (e.g., chambers of commerce, companies, political leaders) and not just mayors and city officials participate in an open exchange of knowledge and process ideas together, are more likely to be successful than others. The institutionalization of practices and documents and the building up of databases and websites further facilitate the access to, distribution and reuse of knowledge.

Divesting is the disposal of resources unlikely to contribute to developing or maintaining a competitive advantage (i.e., excess or ubiquitous resources) such as the sell-offs of city-owned buildings and the outsourcing of public services to private providers in order to streamline competencies and obtain greater amounts of slack and more flexibility to cope with changing environments (Ireland & Webb, 2009). However, the ability to divest resources is often hampered by core rigidities that impede the ability to mobilize resources quickly and effectively in order to develop new competitive advantages. Core rigidities occur because

³ Many authors distinguish between knowledge creation and knowledge management (e.g., Nonaka & Teece, 2001). The discussion of the differences in the city context is beyond the scope of this chapter.

cities are locked in past development paths politically, cognitively or functionally (Grabher, 1993; Hassink, 2005). Despite the transitions happening in the external environment, these lock-ins make city leaders unwilling to pull assets from the activities that support formerly successful advantage-seeking behaviors (e.g., coal industry subsidies) and reallocate them to more uncertain, opportunity-seeking behaviors (e.g., support green economy start-ups). To overcome lock-ins and identify new opportunities, Pihkala, Harmaakorpi and Pekkarinen (2007) suggest a visionary capability – the ability to shape potential development trajectories according to the paths traveled and opportunities emerging from techno-economic paradigm changes. It includes the ability to detect the potential latent in the environment, to see what does not yet exist. Thus, the visionary capability includes both the ability to sense and presence the emerging opportunities as well as the ability to remove the institutional barriers and bureaucratic rigidities that block divestment and change processes.

3.3.2 Bundling Resources

While structuring is important, this step is insufficient for achieving a long-term competitive advantage. A city's resource portfolio provides the foundation for developing capabilities that are formed during resource bundling. Resources are integrated (i.e., bundled) to create capabilities: each capability itself is a combination of resources (Sirmon et al., 2007; Sirmon et al., 2011). Thus, bundling goes beyond the mere coordination of resources; we believe that cities can improve its competitiveness by orchestrating synergetic collaborations and integration across a variety of spatial scales, technologies, governance levels, organizational practices, services and infrastructures. Bundling encompasses (i) the stabilization of prevailing resources, (ii) the enrichment of existing resources and capabilities, and (iii) the pioneering of new capabilities. Based on Schumpeterian logic, the latter steps (enriching to a lesser degree than pioneering) are marked by greater uncertainty and

complexity, which usually results in higher risks, a need for deeper knowledge and creativity as well as higher investment volumes. This implies that urban decision-makers should carefully assess whether they can stabilize or enrich current capabilities to satisfy the needs of citizens, firms or other users of the city, or whether doing so will require additional resources for use in pioneering new capabilities. Applying the RBT logic, we suggest that the three types of bundling processes are contingent on the degree of the resource's characteristics (i.e. ubiquitous vs. strategic: see Figure 4). Potential for competitive advantages are left unexploited, if strategic resources are simply stabilized, i.e., for example a city located on a river that ensures its water quality while leaving the riverbanks inaccessible to citizens.

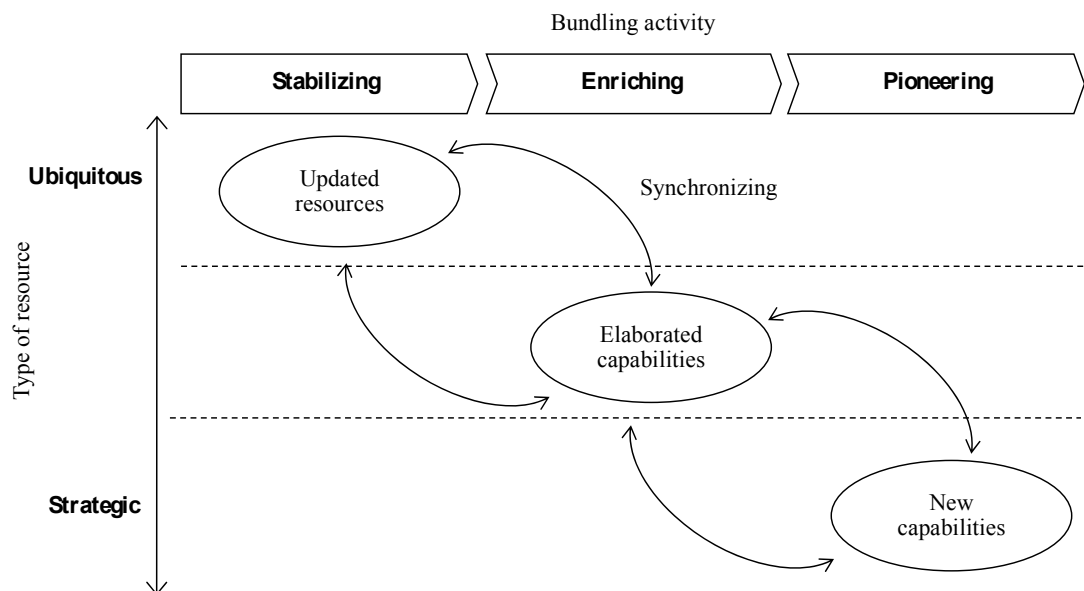


Figure 4: Type of Resource and Bundling Activity

Stabilizing is focused on the maintenance and continued proficiency of current resources and strategies (Sirmon et al., 2007). Its intent is to ‘keep the system running’ in order to maintain a current competitive advantage and avoid competitive disadvantages. A study of McKinsey & Company (2013) confirms that stabilizing existing capacity rather than investing in costly new projects serves needs mostly better. Greater efficiency and refinement in the use

of available resources are activities associated with stabilizing (e.g., maintenance of basic infrastructures like roads or sanitation). This requires maintenance management capabilities, which include the ability to plan maintenance activities based on a risk assessment of asset failure and to efficiently inspect the conditions of the assets. We suggest that the continuous evaluation of an ageing asset portfolio and the identification of critical maintenance works to preserve and extend the service life of long-term infrastructure assets are vital for the maintenance of a competitive advantage of a city.

Enriching. To clarify the difference between enriching and pioneering in the city context, we first need to introduce the difference between mono- and multifunctional innovation networks (Planque, 2002): Mono-functional networks combine homogenous actors with common ways of acting (e.g., firm R&D partnerships). They are concentrated on one specific objective or task with the goal to improve or use resources effectively. They are based on a contract of which the duration and provisions are generally determined a priori. In contrast, multifunctional innovation networks are typically larger and more heterogeneous (e.g., local science and technology parks). Their goal is to form a new, continuing innovation process capable of creating new resources and capabilities (Planque, 2002; Tura & Harmaakorpi, 2005). Enriching refers to the act of establishing mono-functional innovation networks that combine complementary resources in order to extend and improve the functionality of current capabilities. It requires integrating and recombining existing resources with the goal to realize synergies (Sirmon et al., 2007). The city of Strasbourg (France) exemplifies such synergistic combinations. It has enriched its transport system by bundling a traffic control system to regulate vehicle flows with the operations support and passenger information systems. Working together, these systems give priority to buses and trams, encouraging the use of public transport (Thales, 2012). Yet, integration is a difficult and costly activity as structures are often fragmentary, with each actor and organization focusing on optimizing its

performance in isolation rather than on finding synergies between them. Structural barriers might even cause actors to work against each other, inhibiting the recognition of resource recombination opportunities. Hence, it can be argued that for enriching activities integrative capabilities are necessary, i.e., the ability to overcome silo structures and link complementary resources or resource bundles in order to establish mono-functional innovation networks. Even though the breakdown of silos and small changes in interfaces embody substantial hidden potential for creating competitive advantages, enriching is not likely to create completely novel and discontinues innovations.

Pioneering is a city's ability to generate new capabilities by recombining endogenous, seemingly unrelated, resources across different fields and/or integrating new externally sourced resources with the goal of creating new competitive advantages. Pioneering generates novelty, change, and renewal in a city's long-term development pathways. Therefore, it is essential to understand the dynamics behind pioneering in order to comprehend why some cities forge ahead while others fall behind in overall competitiveness.

Indigenous creation: The formation of new capabilities in cities depends on both the existence of a variety of resources (e.g., many specializations in a particular urban economy, diverse cultural life, etc.) – which determines the resources available for new combinations (Martin & Simmie, 2008a) – and the combination of this variety. Public policy research has shown that a society may contain a plethora of agents such as chambers of commerce or foundations all aiming to promote resource bundling and still be hampered by norms and social ties that are restrictive and exclusionary, thwarting innovation and concerted action (Ostrom, 1999). This suggests that a lack of innovation is not rooted in the absence of any connections or existing networks. Tura and Harmaakorpi (2005) conclude that it is not the existence but rather the diversity of relations that promotes the chances for successful innovation processes. Connections between different fields create this diversity, therefore they

support the development of multifunctional innovation networks. We assume that pioneering requires combinative capabilities – the ability to recombine resources from various sectors (e.g., education and housing) in order to establish multifunctional innovation networks. Cities with combinative capabilities enable high levels of cross-field connections rather than drawing together the “usual suspects” (Potapchuk & Crocker Jr, 1999, p. 179). They provide the local platforms where stakeholders can meet, learn about the others’ capabilities and share knowledge. An example of such multifunctional network provides the “Mobility to grid” research platform in Berlin, which unites more than 30 public, research and private actors aiming to intelligently link energy and mobility sectors to develop sustainable energy and transportation concepts. One project result is the electrified public bus line, which already saved 4,7t of CO₂-emissions since its operational start in August 2015 (EUREF-Campus, 2015).

Transplantation from elsewhere: Another pioneering mechanism is what Martin and Sunley (2006) term “transplantation”, the importation and diffusion of new organizational forms, institutional arrangements or radical new technologies from elsewhere to create new capabilities. For example, the Spanish city of Victoria carefully integrated biking solutions from German cities into the city’s own context and adjusted where necessary, hereby transforming itself from a car-dominated, polluted city to one of the most pedestrian and bicycle-friendly in Europe (Peach, 2015). As Simmie (2002a) argues, the most successful cities seek to combine both their rich tacit knowledge and their experience with international best practice in the design of innovations. Some cities are more receptive to such external input than others, a difference several authors have explained by pointing to different levels of urban economies’ ‘absorptive capacity’ (e.g., Martin & Simmie, 2008a; Sotarauta, 2005). In the city context, we define it as the ability to value, assimilate and apply new resources drawn from the city-external environment through a conjunction of interrelated elements that render

the interactions among multiple stakeholders possible. We assume that a city's level of absorptive capacity depends on both the level of prior related existing knowledge (Cohen & Levinthal, 1990) and a city's combinative capabilities.

3.3.3 Leveraging Capabilities

A city that governs its resources and has effectively bundled them to build capabilities is unlikely to realize higher levels of competitiveness unless it effectively leverages/uses those capabilities. Thus, leveraging moves the city from a potential competitive advantage to actual competitiveness by developing and implementing the appropriate policies that cultivate the city's assets. Effective leveraging requires a sequence of actions including (i) mobilizing, (ii) coordinating and (iii) deploying specific capabilities (Sirmon et al., 2007).

Mobilizing is the identification of the specific capabilities that are needed to optimize value for the particular customer group. Alford (2002, 2009) defines two customer roles in the public sector: they can be either citizens, who receive public value that is necessarily consumed collectively (e.g., law and order), or clients, who receive private value. Within the latter category, he distinguishes among three roles: paying customers (e.g., public transport users), beneficiaries (e.g., school children), and obligates (e.g., taxpayers). In his typology, only the paying customer conforms to the private sector market model; the others (i.e., citizens, beneficiaries and obligates) provide cooperation and compliance, which are valuable and sometimes critical resources because they enable the local administration to achieve its purpose more readily. Clients can also co-produce services, for example, by using an app to report accidents or broken streetlights directly to the city hall. We assume that successful mobilization requires an understanding of the different types of customers. Not seeing them all as amorphous stakeholders enables policymakers and administrators to identify the capabilities needed to create value for the specific groups in question.

Furthermore, Sotarauta (2005) emphasizes the importance of strategic capabilities, i.e., the ability to bring to the fore and define visions and strategies for urban development collaboratively and then transform these visions into focused strategies and actions. Cities often lack the common sense of belonging needed to make actors believe that it is reasonable to work together (Johnson, 2008). An integrated vision that expresses the city's history and aspirations can unite stakeholders around a competitive identity (Anholt, 2006), thus avoiding policy fragmentation, setting shared priorities, gaining public support and channeling investments. An overall city vision then translates into strategies and concrete objectives that align the agendas of the various urban actors and enable collective action.

Network leadership is considered to be an essential success factor for strategy formulation, as leaders unite various communities of actors who then negotiate and develop a coordinated approach to achieving urban development goals (Sotarauta, 2005; Wolfe, 2013). Harmaakorpi and Niukkanen (2007) define the leadership capability as the ability to induce actions that guide the resources and processes of a networked system in a desired direction. For example, the smart metropolis Singapore that exists today was the vision of Lee Kuan Yew, who served as Singapore's first prime minister from 1959 to 1990, and spoke of his dream to create "a city in a garden". He recognized early on the importance of English language education to engage in the global conversation on science and technology, and welcomed multinational companies in the 1960s to fuel economic growth. Long-term planning and strategic partnerships with leading universities and corporations, and substantial government investments have enabled Singapore to realize Lee's vision (Hatch, 2013).

Mobilizing generates a better understanding of the required capability configurations by developing strategies that match the needs of all the stakeholders. This step is necessary for ensuring societal support, as a lack of support from those involved or interested can impede

successful implementation, no matter how meaningful a strategy might be for urban competitiveness (Van den Berg & Braun, 1999).

Coordinating is the effective and efficient integration of mobilized capabilities; it is considered to be the first step towards the implementation of a leveraging strategy (Sirmon et al., 2007). However, these combinations stress the challenge of appropriate governance (Klein et al., 2013). Governance refers to the capacity to “get things done” in a complex environment through actors with potentially conflicting agendas (Stoker, 1998, p. 18). At the heart of this concept lies the belief that effective policy implementation is based on patterns of distributed and reciprocal relations built on changing partnerships (Paquet, 1997); this refers to the ability to establish organizational and institutional infrastructures that enable collective action (Safford, 2007) across various government levels, and between public, civic and private actors. The term ‘governance’ has become a catchword for various alternatives to conventional top-down government control (including partnerships, networks, collaboration) (Folke, Hahn, Olsson & Norberg, 2005). According to Wolfe (2013), collaborations mostly emerge bottom-up, requiring decentralized, open and consultative forms of coordination. The local government acts as a coordinator, initiating the recombining of resources and information to better-placed actors. City labs are an example for such coordination approach. They are a special type of a lab in that the city administration is either the initiator or an important party to it, which is set up for the purpose of generating ideas for city projects or the development of visions (Scholl & Kemp, 2016).

However, Flanagan, Uyarra and Laranja (2011) point out that policymakers should be careful when introducing various formal and informal mechanisms to promote coordination. Adding new actors, roles and institutions also introduces more complexity into the urban system to be coordinated. Several decades ago, Lindblom (1959) argued that the only kind of feasible coordination was an ongoing mutual adaption process to avoid the proliferation of

policy agencies that occur amid multiple policy goals. This requires adaptive governance capabilities, which include the ability to establish organizational and institutional infrastructures that coordinate multiple activities and actors and the ability to re-coordinate these processes in a dynamic environment. The coordination of capabilities is necessary to form a configuration for deployment.

Deployment. A city's ability to become competitive is realized through the successful deployment of its capabilities, the second step in implementing a leveraging strategy. Deployment is the physical usage of capability configurations to support the selected leveraging strategy (Sirmon et al., 2007). It preconditions that local institutions capable of implementing and enforcing policy are functionally adequate. For example, in Singapore a centrally organized, public agency for information and communication technology drives the implementation of the city's e-government program (Hanna, Qiang, Kimura & Kuek, 2009). Capability deployment relies on a complex set of tacit knowledge. We suggest that socialization capabilities reduce complexity and facilitate deployment, i.e. the ability to share experiences and mental models to produce a shared set of common habits, practices and routines among actors (Sotarauta, 2005). This ability may be fostered by the existing high stocks of trust within the city and it is nurtured when actors share the same cultural characteristics (Boschma, 2004; Maskell & Malmberg, 1999). Nurturing trusted relations among actors allows a city to build an environment conducive to reaching agreement on questions such as what works or what does not or what the city's priorities and mission should be. Building up trust place occurs over time and requires a certain continuity and stability in the relations among urban actors (Foss, 1996).

3.3.4 Synchronizing and Sustainable Competitive Advantage

While each of the resource orchestration processes is individually important, realizing a sustainable competitive advantage requires synchronization to guarantee that activities reinforce and align with the urban strategy and setting (Siggelkow, 2001). Consider, for example, a growing city facing the challenge of providing efficient transport infrastructure, office space, and affordable housing where land is scarce. During structuring, the city government decides to acquire a car park house in the city center. It also invests in road maintenance to stabilize the infrastructure in order to ensure the free flow of traffic. The city enriches its mobility capability by supporting the local public transport provider to develop an integrated e-ticketing system that combines several modes of transport (e.g., tram, bus, car- and bike-sharing) on a single ticket. By pursuing integrated housing and mobility solutions, the policymakers pioneer new co-working space solutions (e.g., new rules for residential shared workspaces) to reduce the traffic and parking burdens in the city center. To develop a strategy for implementing this new capability in the housing sector, local firms are mobilized to allow their personnel to work from home while also encouraging them to do so. A concrete vision like a car-free city helps to align the agendas of the multiple stakeholders and acts as a reference point for a new mobility and housing strategy. However, the pioneered capability in turn requires synchronization with the other orchestration activities, as the increased need for people to commute to offices in residential areas (rather than to the traditional downtown business district) might, on the one hand, reduce the need for parking lots downtown and, on the other hand, increase the demand for individual mobility solutions (e.g., bike sharing). Thus, the acquired parking house might be empty and roads are less needed. Instead, more useful structuring and stabilizing activities might be to sell the car park house and invest the money in an extension of bike lanes.

This fictive example shows the importance of ongoing synchronization and adjustments during resource orchestration. Central to our argument is that city competitiveness depends on each actors' ability to not only orchestrate resources but also synchronize the orchestration processes across distinct policy domains. We suppose that cities, which establish a complex system wherein the effectiveness of one system (e.g. the way the housing system is organized) increases the returns from other complementary systems (e.g. the way the mobility solutions operate), are more successful, as those structures are more valuable than the sum of individual resources or separate combinations (Feldman & Martin, 2005; Porter, 1996). Although competing cities can adopt best practices such as cycling highways, it is considerably more difficult to implement systems of bundled resources as such systems are, by their very nature, difficult to untangle for outsiders.

However, perfect synchronization in a multi-actor, multi-level system of governance is almost impossible. Policymakers and senior administrators often face the challenge of making trade-offs in the way various bundles interact, as goals might be conflicting (Flanagan et al., 2011). For instance, increasing accessibility to transportation is beneficial to economic growth, but, at the same time, pursuing environmental goals restricts this accessibility. Creating a comprehensive vision and strategy for a city makes it easier to handle such trade-offs, as a strategy establishes the trade-off rules that define how individual resources and capabilities will be configured and integrated (Porter, 1996). Therefore, the development of a long-term strategy is not only an important part of resource orchestration but is also essential for successful resource synchronization, as it creates a fit among city's systems.

3.4 Discussion and Conclusion

This chapter posits that the RBT and the ROT shed new light on value creation in cities by developing a process model of city competitiveness that explains how cities build up

capabilities required to achieve a sustainable competitive advantage. By applying this strategic management approach, we shift the attention towards the development of the capabilities of administrators and policymakers, allowing them to utilize resources efficiently in cooperation with other actors, and show that cities can affect the tenor and trajectory of urban development through synchronized resource orchestration actions. This orchestration involves structuring, bundling, leveraging and synchronizing. Structuring entails the prior assessment of the city's resource base and choosing a suitable ownership model for the governance of resources; cities with a higher degree of control (i.e. public ownership) over their strategic resources are more likely to be successful. Bundling entails the synergistic integration of existing resources or resource bundles to generate valuable new capabilities. The developed capabilities are implemented during leveraging. We conclude that successful cities will be those that build the effective governance structures that enable bottom-up collaboration to integrate multiple capabilities into a configuration and deploy these configurations to enact a leveraging strategy. We suggest that cities that establish a complex system with reinforcing interactions are more likely to achieve a performance advantage because those combined structures are valuable and difficult to imitate.

With the approach taken herein, this chapter contributes to two research streams. First, we contribute to the field of strategic management. We show that the RBT and ROT can be usefully applied to the city context, proving that strategic management theory can help us understand bigger, more complex issues and contesting the view that the strategic management field offers only a weak contribution to public policy formulation (Barney, 2005). We generate new insights into the governance of resources in network structures requiring a different set of capabilities than those in a single, hierarchical organization. Furthermore, the suggested model refines ROT by defining the relationships between resource structuring and bundling activities and levels of competitiveness, according to the

type of resource (excess vs. ubiquitous vs. strategic) selected for the orchestration process, making the link between resources and orchestration explicit. In addition, our research contributes to the analysis of resource orchestration processes within firms because firms as structured processes of interaction always exist within other such processes, including the complex system of cities. Even when the focus is explicitly upon the firm, limiting resource orchestration to firms' internal processes seems to be not only unnecessary but also unhelpful.

Second, we describe how cities can enhance their competitiveness with synchronized resource orchestration actions. We explained that, although the resource base of a city may deliver a performance advantage, realizing this advantage in a dynamic environment depends on how policymakers and administrators structure and bundle resources to develop capability configurations that are efficiently leveraged and synchronized. The model integrates a dynamic approach intended to supplant the many static approaches used in most previous research, a clear contribution to urban development research.

As seen through out this chapter, our study has various implications for urban policy making. Perhaps the most obvious is that the strategic management of cities matters, as elaborated also by Audretsch (2015). Though path dependence and lock-in situations constrain effective policy making, a mayor's (or other relevant bodies') strategic choices can change a city's trajectory and improve its competitiveness through the appropriate resource orchestration decisions. Our approach requires not only new kinds of policies but also a new way of developing policies. Policymakers should focus on developing the strategic resources that make their city distinct. They should be reluctant to imitate a popular policy originating in a different urban context without accounting for the city-specific resource base (Boschma, 2004; Feldman & Martin, 2005). Implications of the structuring process shift the attention to municipal procurement processes and partnerships' role in making the most of available resources. Thus, urban administrations must have efficient procurement processes that

support the development of the city's strategic resources. They must be able to design and implement regulatory contracts that enable public sector agencies, businesses and other key actors to work side-by-side, leveraging the advantages of each partner in a way that produces mutual value. The importance of the bundling process implies that policymakers and administrators should recognize the value of integrated systems and policies and analyze what is happening in their cities in system terms, intervening not just to support a single actor or policy arena but also to help "connect the dots" by using multiple, reinforcing policy instruments. They should take care of the establishment of governance structures/networks to collaboratively extract value from them. Thus, competitiveness policies should pay particular attention to the creation of effective linkages among urban actors and support the establishment of collaborative governance structures. Key elements in that approach are meaningful stakeholder participation, an integrated vision and strategy of urban development, leadership capable of forging cohesive development coalitions, and the institutional capacity to implement policies.

This chapter's model and conclusions should be regarded as a draft of a research agenda for the strategic management of cities rather than as a definite statement. Clearly, it is not unproblematic to import a model from one disciplinary field (the strategic management of firms), into another (urban development), as cities are not perfectly analogous to firms. The presented model does, for example, not acknowledge the constraints, which result from the functioning of municipalities and their embeddedness into larger administrative, political, and legal systems. The various actors might not have such high degrees of freedom to deliberately and voluntarily pick, combine and orchestrate resources. However, the resource orchestration model has the virtue of giving us a forward-looking, strategic perspective on city competitiveness. It thus seems worthwhile to pursue it in more depth in order to give it a more explicit urban development form. Therefore, the future research agenda must include the

empirical application of the RBT and ROT to cities. We need to develop methods that allow us to empirically examine the processes of structuring, bundling and leveraging of resources in cities. The mapping of activity systems (Porter, 1996) might provide a structured way to analyze the interactions between an urban actor's choices and activities, and thus analyze the interactions between urban actors and their consequences.

Future research may also use other theories and concepts concurrently with resource orchestration logic to tackle certain questions. Useful companion theories may include network theory (Foss, 1999), providing insights into not only formal institutional arrangements but also the highly complex informal relationships that influence urban resource orchestration processes, or the concept of 'business ecosystems' (e.g., Moore, 2006). Treating cities as mature and massively complex business ecosystems might lead to a better understanding of the roles every actor plays within the ecosystem and how the players' efforts can be effectively coordinated to achieve a common purpose (Kastalli & Neely, 2012). Another avenue for future research on city's resource orchestration might be to combine it with path dependency theory (e.g., Martin & Simmie, 2008a; Martin & Sunley, 2006). Examining how resource orchestrations differ in each phase of path development could allow us to develop a more robust perspective on the model and shed new light on why some cities are better able to reinvent themselves than are others. Furthermore, a more substantive discussion of the interplay between the economic, environmental, and social dimensions of city competitiveness is needed. Different linkages between socio-cultural, ecological, and economic aspects exist through their interactions but which mechanisms emerge regarding the harmonious integration of the various elements? How can cities manage trade-offs optimally to maintain durable development paths within critical environmental and social limits that permit growth? Finding answers to these questions is central for moving this research agenda forward.

Broadly, we hope to revive the scholarly dialogue on cities as objects of research. The insights, tools and theoretical relationships established in the strategic management field are relevant to the study of cities, because they can help relieve some of its analytical complexity. We prove that strategic management research offers perspectives on cities that are unavailable through the lenses of other social sciences and administrative disciplines. We therefore believe that this research represents a first step towards untangling the complexities surrounding cities' competitive advantage.

4 The Influence of Social Capital on Resource Bundling Processes in BIDs

4.1 Introduction

Burdened with debt and the aftermath of the global financial crisis, many cities struggle to provide sufficient services to maintain public spaces and control the problems of rising unemployment, high crime rates, and increasing income inequality (OECD, 2013b). As the traditional top-down measures such as tax abatement appear inadequate to tackle such problems, bottom-up community economic development strategies are becoming a necessary and viable complement to traditional approaches. One of the early proponents of community economic development models was strategic management scholar Porter (1997), who called for a more strategic approach to create favorable environments for local businesses. With more than half of the world's population living in cities in the second millennium (United Nations, 2014), his call for effective community development strategies becomes even more relevant today than in the past.

One tool that has proliferated globally as influential mechanism for promoting community revitalization are Business Improvement Districts (BIDs) (Brooks, 2008; S. Grossman, 2008). Enabled through state legislation, BIDs are organizations of local property owners and merchants relying on the mandated assessments of real estate properties to finance the provision of supplemental services such as security, maintenance, and various forms of marketing (Ellen et al., 2007). From a research perspective, BIDs are attractive because their limited set of stakeholders, clearly defined geographic boundaries, and defined place development goals offer a microcosmic opportunity to examine resource management processes and theoretical links not yet addressed in the literature. From a city perspective, they are also attractive because they are publicly sanctioned, yet privately directed, self-financed organizations helping to fund supplemental public services to improve shared outdoor public spaces (Hoyt, 2005b). However, BIDs have attracted a fair amount of criticism

from urban analysts who consider them unaccountable governance arrangements empowering a ‘club of private actors’ (Brinkerhoff, 2002; Gross, 2013; Warner, 2011).

For a broader discussion of BIDs as catalyst of community economic development, we argue that their role needs to be understood partly from the viewpoint of their stakeholders, because it is the property owners, businesses, local governments, and other community partners that define the agenda, priorities, and resource allocations of BIDs. They are created not in a social vacuum, but as a product of actions and processes taking place in a particular social, structural, or cultural environment. One of the most promising concepts researchers have used to specify this is social capital (SC) (e.g., Burt, 1995, 1997; Portes, 1998; Putnam, 1993, 2000). In general, SC refers to social relationships and memberships and to the resources developed through such relationships and memberships (Tura & Harmaakorpi, 2005, p. 1114). As a distinctive bundle of intangible assets, SC has the potential to affect a BID’s efforts to revitalize the community, although it could act as a double-edged sword (Tura & Harmaakorpi, 2005; Woolcock & Narayan, 2000): On the one hand, it has a positive effect on community development and renewal processes by bringing community networks into trustworthy interactions facilitating the gathering of information and innovation (Newman & Dale, 2005). On the other hand, Cushing, Florida and Gates (2002) argue that high SC negatively affects innovation and economic development because the actors become complacent and insulated from outside information and challenges. Thus, a considerable amount of debate continues on the relationship between SC and community economic development, giving us reasons to believe the existence of a mediator with strong impact.

To discuss this link more systematically, we argue for value in extending resource-based theory (RBT), especially its dynamic refinement, resource orchestration theory (ROT) (Hitt et al., 2011; Sirmon et al., 2007; Sirmon et al., 2011) to analyze BIDs as community development entity. We advance a mediation model suggesting that the sub-processes of the

overarching resource bundling process – stabilizing, enriching, and pioneering – have unique mediation effects on the link between SC and the role of BIDs in community revitalization.

We follow Canes and Ireland's (2013) work, who focus on resource bundling as an important mediator in the context of innovation in family firms. We assume that the concept can be similarly applied in the community context as there is nothing inherent in the RBT that excludes its application to collectivities (Foss, 1999). Using qualitative field data from 12 BIDs in NYC, we examine these unique relationships to enhance our understanding of the inconclusive findings in the literature. We report a set of propositions elaborating the mechanisms through which different configurations of SC influence a BID's capability to revitalize local economies.

In the next section, we briefly introduce SC, its relevance to BIDs, the resource bundling process as it relates to BIDs, and the role of BIDs in community economic development. This is followed by a discussion of the data and methods used. We then discuss selected NYC BID sample cases to demonstrate specific mediation relationships. Finally, we outline the implications and offer recommendations for future research. Hereby, we further extend resource orchestration research by showing its use for BIDs and proving that strategic management research can provide insights into urban public policy issues (Barney, 2005). We also provide a theoretical framework to better reconcile the previous conflicting findings on SC and community economic development and help us understand why some BIDs revitalize their districts better than others.

4.2 Theoretical Background

4.2.1 Social Capital, BIDs and Community Economic Development

Since the mid-1980s, several studies such as Bourdieu (1985), Coleman (1988, 1994), Portes (1998), and Burt (1995) have tried to explain the concept of SC and its impact on

economic growth. The central proposition of SC theory is that “networks of relationships constitute a valuable resource for the conduct of social affairs thus providing their members with the collectively-owned capital” (Nahapiet & Ghoshal, 1998, p. 243). There exists no clear consensus on the definition of SC. For the purpose of this study, we follow Nahapiet and Ghoshal (1998), who analytically distinguish three dimensions: the structural dimension, describing the properties of the network as a whole, including the number and intensity of available relationships, and the proportions of strong or weak relationships; the cognitive dimension, referring to social assets such as shared values, visions, interpretations, and systems of meanings; and the relational dimension, dealing with the personal relationships between members of the network (e.g., friendship, trust, and reputation) (Tura & Harmaakorpi, 2005). This conceptualization is reasonably comprehensive and does not restrict SC to its specific forms, thus allowing us to consider the different combinations of SC types and dimensions responsible for a range of actions and outcomes.

SC and its effects have been studied at various levels of analysis (Westlund & Adam, 2010), that is, at the individual (Burt, 1997), organizational (Maurer & Ebers, 2006), community (Putnam, 1993), regional (Tura & Harmaakorpi, 2005), and national (Baliameune-Lutz, 2005) levels. However, to the best of the authors’ knowledge, no study has so far analyzed SC at the BID level. We argue that our research on SC and community development in the BID context appears to be particularly pertinent: As a vehicle for collective action, a BID relies on the commitment and trust of its members and builds up services based on close relationships in the community context. It can be considered an effective SC builder for the local business community by creating a venue for the joint development of economic development agendas (Gross, 2005, 2010). Yet, evidence to support the above-listed arguments remains limited, with only a few studies having analyzed BIDs within the larger context of community environments (e.g., Gross, 2005, 2013;

MacDonald, Stokes, et al., 2010; Stokes, 2007). While these works shed some light on the operating philosophy and community orientation of BIDs, the continued growth of BIDs necessitates a more detailed understanding of *how* existing configurations of SC, as a distinctive bundle of intangible resources, affect a BID's potential to shape its surrounding community and effect community economic development.

Despite a lack of detail on how it does so, there is a general intuitive sense that participation in local networks in the community has a value for both collective action capacity and the economic performance of communities, as pointed out in the wide and burgeoning literature on SC (Evans & Syrett, 2007; Leonard & Onyx, 2004; Newman & Dale, 2005). On the other hand, a cost exists in that those ties can lead to the exclusion of outsiders, excess claims on group members, restrictions on individual freedom, and a downward leveling of norms (Portes, 1998). These results have led to the conclusion that there must be two basic types of SC, namely, 'bonding' and 'bridging' SC (Putnam, 1993, 2000). *Bonding SC* refers to the social networks reinforcing exclusive identities and connecting the members of homogenous groups. Under certain circumstances, this can hinder innovation by cutting off actors from needed information, although it can simultaneously lead to greater levels of trust as an essential ingredient of successful social relations (Leonard & Onyx, 2004). *Bridging SC* involves 'weak ties' with other groups. This type of SC connects people across diverse horizontal groups, for example, religious groups or neighborhood associations (Granovetter, 1973; Putnam, 2000). It allows actors to access outside information and overcome social norms, and is thus essential to the ability of a community to revitalize its local economies (Newman & Dale, 2005). Given these two differing forms of SC, the sheer amount of SC cannot be a good indicator of how well a community performs in economic terms.

4.2.2 The Mediating Role of Resource Bundling Processes

These inconsistent findings on the relationship between SC and community economic development make it difficult for researchers and practitioners to identify effective development processes for commercial districts. Moreover, it indicates insufficient research on the actual processes of how the different types of SC impact community development (Coffé & Geys, 2007; Evans & Syrett, 2007). To discuss this link more thoroughly, we advance a mediation model of SC effects on community development in BIDs using resource orchestration theory (ROT) as theoretical lens (Sirmon et al., 2007; Sirmon et al., 2011). ROT, a research stream grounded on RBT (Barney, 1991, 1995) and the dynamic capabilities literature (Helfat et al., 2009; Helfat & Peteraf, 2009; Teece, 2007), addresses the role of managers in effectively structuring the resource portfolios of firms, bundling resources into capabilities, and leveraging capabilities to create value for customers and thereby achieve a sustainable competitive advantage for firms (Sirmon et al., 2007; Sirmon et al., 2011). As part of the threefold resource orchestration process, *resource bundling* deals with how resources can be recombined within a firm to create capabilities. In turn, firms depend on capabilities to perform tasks linked to performance outcomes (Carnes & Ireland, 2013; Sirmon et al., 2008).

Transferring ROT to the community development context, one must acknowledge one crucial difference in the boundaries of interaction: in ROT, most firms' capabilities are formed through interactions within the firm, whereas in BIDs the relevant interactions and the means by which relationships develop and are sustained between actors become a central concern. Therefore, we combine this work on resource bundling and the work on SC, suggesting that bundling consists of processes used to transform SC resources into BID-level outcomes, such as commercial revitalization. Resource bundling entails three sub-processes: stabilizing, enriching, and pioneering (Sirmon et al., 2007; Sirmon et al., 2011). In the BID context, *stabilizing* consists of place-keeping activities, that is, activities to keep an area stable

and safe for its members and prevent any deterioration. Here, the focus lies on making minor, incremental improvements (e.g., street maintenance work). *Enriching* goes beyond maintenance, with the intent to promote the area. This process is associated with place-making activities to improve the district's assets, mainly through area-based promotional activities. *Pioneering* focuses on place-making activities to reinvent the area and directly shape its commercial growth. These activities are marked by greater uncertainty and stakeholder complexity, usually resulting in higher risks, a need for deeper knowledge, and creativity, and higher investment volumes (e.g., widening of pedestrian sidewalks, plaza redesign).

To understand the role of resource bundling in community economic development, we need to consider the local environment of BIDs, because the types of resource bundling processes are contingent on the degree of environmental uncertainty (Sirmon et al., 2007). Factors leading to uncertainty are (1) changes in neighborhood structure from gentrification or rezoning of industrial land; (2) the probability of environmental shock, that is, unexpected events leading to discontinuities in the neighborhood (e.g., closure of a subway station); and (3) instability in local demand conditions from the pressure of online competitors or changing consumption patterns of local residents. Because neighborhoods vary in their degree of uncertainty, and such conditions affect the value of resource bundling activities, the role of a BID in community economic development is at least partly contingent on its external environment. Higher levels of environmental uncertainty increase the need for pioneering activities to produce more substantial changes (Sirmon et al., 2007).

We assume that bundling processes are critical to a BID's revitalization efforts, particularly in uncertain environments with a high level of bonding SC. In order to transform the local economies of deprived areas and unlock their existing business potential, we require novel thinking, creativity, and alignment across various community stakeholders. However, as

outlined earlier, high levels of bonding SC have been linked to conformity, insularity, and the resulting preference for the status quo (Knudsen, Florida & Rousseau, 2005). To counter the likelihood of bundling resources in ways that promote existing strategies, BIDs are challenged to take up novel or creative resource combinations in collaboration with various actors.

In order to understand the ambiguous conclusions on the relationship between SC and community economic development contextualized in BIDs, we examine two related research questions: *(1) How does the SC configuration of BIDs influence the use of resource bundling processes? (2) How do these processes influence the capability of BIDs to revitalize local economies in order to enhance community economic development?* We describe this study's research methods and articulate a set of propositions based on comparative data collected from 12 field sites. From our observations, we obtain an interpretive mediation model for each resource bundling process in BIDs on the link between SC and economic development.

4.3 Methodology

Our research approach might be best termed as theory elaboration (Gilbert, 2005; Lee, Mitchell & Sablinski, 1999), in that it elaborates the theoretical links yet to be addressed in the literature. Previous studies on the role of SC for community economic development have not analyzed the complex processes and actions of bonding and bridging SC. Thus, we extend SC theory by examining the resource bundling processes and the role of community economic development in BIDs.

4.3.1 Research Setting

This study employed a multiple case design with a replication logic, wherein multiple cases are treated like a series of experiments, each confirming or disconfirming a set of significant findings (Yin, 2014). The study also used an embedded design, that is, multiple

levels of analysis, focusing on each BID at three levels: (1) SC configuration involving several sublevels, (2) resource bundling activities, and (3) the BID's capability to revitalize local economies. Although the embedded design is complex, it allows for the derivation of rich and reliable models (Eisenhardt, 1989b; Yin, 2014). Table 3 describes the 12 BIDs studied in this chapter. The BIDs are located in neighborhood commercial areas in four NYC boroughs (Bronx, Brooklyn, Queens, and Manhattan) and are medium in size and scope, with revenue ranging from 200,000 USD to 700,000 USD and a median of just under 390,000 USD in total annual revenue. The median number of businesses in the sample is 212, with over 27 block faces. The BID staff consists of one or two employees, except for Myrtle Ave RD and BK, who share staff with a local development corporation (LDC).

We selected cases opportunistically through a theoretical sampling procedure (Eisenhardt, 1989a). We focus on BIDs in NYC because it is an ideal site. NYC is noted for its racial and ethnic diversity and is home to one of the largest pool of BIDs worldwide in a diversity of neighborhoods operating simultaneously under the same regulatory regime, allowing for comparisons across various BID types, services, and neighborhoods (Ellen et al., 2007). We selected BIDs under three sampling criteria developed with the help of a team of local BID experts, who also helped in identifying the BIDs that met these criteria: (1) Assuming that BIDs are geographically rooted and hence reflect the neighborhood's socioeconomic conditions, we selected BIDs from neighborhoods with different income levels in order to find differences in SC levels. (2) Following Sirmon's (2008) approach to empirically test the effects of resource bundling on the performance of baseball teams, we tried to isolate the

BID	Borough	Median household income	Formation	Total revenue	Number of businesses	Number of block faces	Number of employees
82 nd Street Partnership	Queens	\$49,130	1990	\$375,806	200	6	2
Bed-Stuy Gateway	Brooklyn	\$39,131	2009	\$709,000	392	32	2,5
Belmont	Bronx	\$22,247	2009	\$524,414	336	74	1,5
FAB Alliance	Brooklyn	\$70,219	2009	\$391,350	225	37	1
Grand Street	Brooklyn	\$35,982	1985	\$238,120	168	12	2
Kingsbridge	Bronx	\$53,875	2002	\$329,448	200	26	1
Myrtle Avenue BK	Brooklyn	\$61,886	2005	\$459,690	170	26	6
Myrtle Avenue RD	Queens	\$42,878	1988	\$407,272	343	32	4
Park Slope 5 th Avenue	Brooklyn	\$98,213	2009	\$362,150	520	60	1,5
Southern Boulevard	Bronx	\$25,461	2009	\$185,150	153	12	1
Washington Heights	Manhattan	\$39,310	1983	\$642,821	250	29	1
Westchester Square	Bronx	\$43,624	2012	\$333,930	171	23	1
Median		\$43,251		\$383,578	212	27	1,5

Source: Antokal (2015)

Table 3: Description of 12 Business Improvement Districts Studied (2014)

effects of comparative resource and managerial advantages on the capability of BIDs to revitalize local economies by focusing on BIDs with similar budgets and resource base. We chose BIDs with small and medium-sized budgets because they tend to compensate for revenue shortfalls by reaching out more to other local partners (Gross, 2005); thus the role of social networks becomes more important. (3) Furthermore, we tried to identify BIDs that differed considerably with regard to their level of service delivery based on indicators defined by the NYC Department of Small Business Services (e.g., average sanitation hours) that oversees the NYC BIDs (Antokal, 2015).

4.3.2 Data Sources

Data were collected from three main sources: open-ended interviews, archival and public documents, and direct observations. For a summary of our sources, see Table 4. Data collection took place from March to May 2015, and covered developments from the founding of each BID until 2015.

Interviews. Of the total 45 interviews conducted, 37 were with BID managers, board members, and partnering community organizations. For each BID, we tried to include the perspectives of property owners, business owners, residents, and the community. We used semi-structured interview templates for SC configurations at different levels of analysis, BIDs' service priorities, BIDs' goals and purpose, and so on (see the interview questionnaire in Appendix I). Given difficulties among the BID stakeholders in understanding the complex concept of SC, it became important to unpick the definition by using Nahapiet and Ghoshal (1998)'s three-dimensional characterization. On the structural dimension, we asked, for example, with whom the interviewee had BID-internal or -external ties and how frequent and intense their interactions were with that person or organization.

	Interviews						Archival and public documents		Direct observations	
	Executive Director	Property owner	Business owner	Resident	Community	Total	Nb.	Examples	Nb.	Examples
Within BIDs										
82 nd Street Partnership	1					1	12	Annual reports, financial reports, newspaper articles, press releases	1	Public event
Bed-Stuy Gateway	1	2 ^a		1		4	4	Annual reports, financial report	n.a.	n.a.
Belmont	1	1 ^a	2			4	4	Annual reports, impact analysis, property list	1	Public event
FAB Alliance	1		1			2	8	Retail market analysis, annual report, audited financial statements	1	Annual BID meeting
Grand Street	1 ^b	1	1			3	10	Annual reports, impact analysis, annual meeting minutes, audited financial statements	2	Board meeting, Community board meeting
Kingsbridge	1	1	2			4	2	Annual report, newspaper article	1	Board meeting
Myrtle Avenue BK	1	1 ^c				2	7	Annual reports, project reports, newspaper articles,		
Myrtle Avenue RD	1		2			3	6	Annual reports, retail market analysis, property list	1	Neighborhood forum
Park Slope 5 th Avenue	1		1		2	4	9	Annual reports, financial reports, management letter	2	Public event, board meeting
Southern Boulevard	1	2	1			4	5	Annual report, impact analysis, retail market study, newsletters	1	Board meeting
Washington Heights	1	1 ^c		1		3	2	Annual report, online article	n.a.	n.a.
Westchester Square	1	1 ^a			2 ^b	4	8	Annual reports, newsletter, newspaper article	n.a.	n.a.
Across BIDs										
City Administration						2 ^b	1	FY14 BID trends report	n.a.	n.a.
Borough hall						2 ^b		n.a.	n.a.	n.a.
Other experts						3		n.a.	1	Public event
Total	12	9	11	2	4	45	78	n.a.	11	

^a Property owner = business owner^b Interview was conducted with 2 interviewees.^c Interviewee was a representative of the property and not the property owner.

Table 4: Sources of Data in NYC

Questions on the cognitive dimension asked our informants about such things as their goals and interests for specific relationships with board members, BID members or external partners, and whether and how these views aligned with each other. On the relational dimension, for instance, we determined whether and how these relationships relied on common norms, friendships, trust, or contractual agreements. Additionally, eight interviews were conducted with policymakers, administrators, and analysts of the NYC BID phenomenon to understand the role of BIDs in community economic development from a citywide perspective. Most of the interviews were one- to two-hour in-person interviews; seven interviews were conducted via phone. A strict case study protocol was followed. More than 90 percent of the interviews were transcribed and analyzed using ATLAS.ti.

Archival documents. The 78 archival as well as public documents examined include BID annual reports, financial statements, lists of property owners, BID management letters, retail market analyses, and BID impact analyses as well as newsletters and online newspaper articles. These documents constituted a valuable primary data source, particularly to understand BID activities and operational priorities.

Direct observations. Our primary data set was supplemented with direct observations of BID annual meetings, board meetings, public events, community board meetings, and a neighborhood forum. In all, we observed 11 field events in 8 of the researched BIDs. In particular, board and community meetings allowed us to study the relationship between different BIDs and community actors and how they influenced one another.

4.3.3 Data Analysis

Our data analysis followed procedures recommended by Eisenhardt (1989a) and Yin (2014). We first used interview and observation data to compile individual case studies for each BID, in particular, three-dimensional SC configurations at each level of analysis. We

then analyzed the level and type of services provided and expanded individual case descriptions by distinguishing eight types of BID activities: sanitation, security, marketing, business development, beautification, special programs, general administration, and advocacy (see Appendix III). Assuming the alignment of strategic and operational priorities, we simply characterized each BID's level of involvement in each activity field from the defined goals in annual reports and interview data, budget allocations, and key figures on the level of service delivery from the FY 2014 BIDs trends report (e.g., number of trash bags collected, planters maintained) (Antokal, 2015). We rejected annual expenditure as the only proxy for the involvement level because the spending priorities of a BID do not necessarily reflect operational priorities and, hence, its resource bundling activities⁴. This resulted in thick descriptions of each BID's internal and external SC configuration and activity profile.

We developed our preliminary analyses from the respective data sets and then compared the matched cases and noted the similarities and differences within each pair, gradually expanding our cross-case analysis (Eisenhardt, 1989a; Glaser & Strauss, 1967). Using new permutations from each case pair iteration, we compared the cases across different variables, such as rate of owner merchants or presence/absence of an anchor institution within the BID boundaries. In the course of this iterative process, we identified four specific patterns of SC configuration and three BID activity profiles across the cases, each influencing a BID's capability to revitalize local economies. In the following, we matched the SC patterns with the activity profiles and role of community development to obtain tentative propositions. Using analytical replication, we then determined whether the emerging relationships could be confirmed or disconfirmed in the rest of the sample and sharpened the insights yielded with a set of the relevant literature (Eisenhardt, 1989a; Yin, 2014). What emerged were propositions

⁴ For instance, FAB Alliance, which creatively leveraged resources along with local businesses and community organizations to deliver services, offered most of the public events in our sample, spending only 12.9 percent of their total expenses on marketing, which is less than the sample's average marketing share of 16.8 percent.

linking SC and the stabilizing, enriching, and pioneering processes with the capability of BIDs to revitalize local economies and community economic development.

4.4 Results

4.4.1 Social Capital Configuration of BIDs

Our research questions indicate our first aim, that is, to explore to what extent SC differs between BIDs. We take a multilevel approach to understand the complex network structure and community embeddedness of BIDs, distinguishing between (1) BID management level, (2) BID membership level, and (3) community level. *BID management level* refers to the internal governance structure of BIDs, that is, the Executive Director (ED) (and staff) and Board of Directors. The Board of Directors is elected by the BID members and includes commercial property owners, commercial tenants, residential tenants, and other public or non-profit representatives. However, not all members are equal, with property owners having the balance of power with regard to decision making and agenda setting weighted in their favor because of their voting power (Gross, 2005, 2013). *BID membership level* refers to all paying and not-paying members in the BID catchment area, that is, property owners, businesses, public institutions, and residents. Property owners in NYC are subject to special assessment in proportion to the valuation of their property. However, many leases have a clause allowing property owners to pass on their BID assessment to their commercial tenants (Department of Small Business Services, 2003). *Community level* refers to the civic infrastructure surrounding a BID community, that is, the non-profit, public, or private organizations working in the field of economic development (e.g., LDCs, merchants' associations) and other related fields such as housing, health, or education (e.g., neighborhood associations, schools).

We find four different BID types characterized by their endowments (low or high) of the two forms of bonding and bridging SC (see Figure 5)⁵. Within each type, we describe the nature of SC using Nahapiet and Ghoshal's (1998) dimensions at different levels of analysis (see Appendix II and Table 5):

<i>Extra-BID Networks ("Bridging")</i>	High	BID as facilitator	BID as trusted advocate
	Low	BID as detached organization	BID as member club
		Low	High
		<i>Intra-BID Ties ("Bonding")</i>	

Figure 5: Social Capital Configurations of NYC BIDs

BID as detached organization (-bonding, -bridging). Our sample included two BIDs with low levels of bonding and bridging SC (Kingsbridge, Southern Blvd). On the structural dimension, these BIDs were small exclusive leadership groups consisting of a property owner-dominated Executive Committee, and, in the case of Kingsbridge, the ED as well. All members of this group knew each other since BID formation and had direct relationships with each member. The group was homophilous, that is, similar in age, race, class, and education, but dissimilar in socioeconomic conditions of the residential community. Thus, group bonds were relatively homogenous and extremely strong, with the members describing their group as an "extended family" (Kingsbridge, personal communication, April 7, 2015). In contrast,

⁵ We need to importantly note that "[...] bonding and bridging are not either-or categories into which social networks can be neatly divided, but more or less dimensions along which we can compare different forms of SC" (Putnam, 2000) This implies that authors have some liberty in applying this methodological framework to determine the cutoff point between bridging and bonding SC.

the BID leadership did not have enough bonding ties within the organization, for example, to convince the board members to attend board meetings, resulting in a lack of quorum. Moreover, closeness of the group and little effort to regularly solicit feedback from the larger BID population made it difficult to attract new board members (Kingsbridge, personal communication, March 27, 2015). Non-board BID members were mostly not even aware of the BID's work in the district. Bridging links with other community organizations were limited, in some cases not even wanted, because of the fear of conflict of interest issues by collaborating with organizations working in the same field (Kingsbridge, personal communication, April 7, 2015). For the cognitive dimension, we could observe no consensus on a proper long-term strategy or vision for the district. The long-term wellbeing of the local area was secondary, with focus rather on commercial and retail interests alone. Additionally, the BID leadership was seen as a clique, leading to negative feelings from non-board members who were compelled to support the BID regardless of their evaluation of the BID. At the relational level, the BID leadership trusted only their reference group and had little confidence in other BID members or community organizations. To sum up, the SC configuration of these BIDs did not allow them to take into account the changes in sentiments of property and business owners detached from the needs of their communities (Table 5, A1-A7).

BID as member club (+bonding, -bridging). Three BIDs of our sample featured high levels of bonding SC and low levels of bridging SC (82nd. Street, Belmont, Myrtle Ave RD). These BIDs had larger network structures involving the BID management organization and a larger BID population with strong bonding ties. Few bridging links to community organizations existed, mainly due to the overlap of private social circles, rather than having task-based professional relationships. In the case of the 82nd. Street, civic infrastructure in the district was weak, resulting in internal focus on the BID's own network and resource stock:

“If we had a strong local development corporation, but we don’t. [...] We partner with our own local businesses. [...] There are dance schools and fitness center, so we have to have those. Even if ... it’s not a choice for us in a way.” (82nd. Street, personal communication, April 29, 2015)

The networks were homogenous in terms of race and class, as the BIDs were located within former close-knit ethnic enclaves (Hispanic community in 82nd. Street, American-Italian community in Belmont; German/Eastern European communities in Ridgewood). Members of the network knew one another well for several years, some even since childhood, with repeated interaction over time, thus establishing a relatively stable pattern of network interrelationships. At the cognitive level, BIDs were far more connected to their constituents’ needs, serving mostly local property owners and small “mom and pop” stores. We found that the interests of BID members tended to coalesce with those of the neighborhood, largely because large cohorts of businesses had been or still were owner operated (e.g., 75 percent in 82nd. Street, 45 percent in Myrtle Ave RD), and/or the landlords resided in the immediate neighborhood. Similar to earlier studies on BIDs conducted in Brooklyn and Queens (Rogowsky & Gross, 1997), we noticed that property owners who operated their own store were more likely to note the advantage of having a BID and take up BID activities. This favorable membership structure might be one reason for the lower necessity of BID management to establish links with other community organizations. On the relational dimension, high levels of trust exist from close friendship-based relationships. Each network member has a strong attachment to the neighborhood community, mostly living in the area. Yet, strong BID-internal bonds enforced conformity and limited the scope of this BID type to attract new board members (Table 5, B1-B9).

BID as facilitator (-bonding, +bridging). Five out of twelve BIDs were grouped as “facilitators,” with low levels of bonding and high levels of bridging SC (Bed-Stuy Gateway, Grand Street, Park Slope 5th Ave, Washington Heights, Westchester Square). On the structural dimension, this BID type possessed a broad and more heterogeneous set of people

including the BID management organization and community organizations (including local elected officials, non-profits, community boards, etc.). The strength and intensity of ties within these networks were variable – stronger with direct board members but weaker with other community organizations. In contrast to the above two BID types, the networks were less stable, with changing leadership structures. The peculiarity of these BIDs was the central position of the ED, who acted as facilitator between a BID and the community. He/she encouraged the maintenance and cultivation of bridging ties with community organizations, presumably as a compensation for lack of bonding ties at the BID membership level. These BIDs had a large number of small shops, mostly of migrants, where the property owners were not themselves small-business owners; some were even absentee landlords, that is, they did not operate or own a business, nor did they live in the immediate neighborhood (e.g., in Westchester Square, more than 40 percent were absentee property owners). At the cognitive level, this membership structure led to some challenges: (1) As Klebba (2001) had suggested, our interviewees confirmed that absentee owners are less inclined to invest in physical improvements or the SC of a neighborhood in which they do not live. (2) Attempts of property owners to enhance the value of their property and the desire of business owners to maintain reasonable rents inevitably led to conflicts of interest within BIDs. (3) The large number of stakeholders resulted in consensus forming and agenda setting becoming much more difficult. (4) Furthermore, we found that in these BIDs, the narrow profit motive of the property owners challenged the more community-oriented vision of the BID management (Washington Heights, personal communication, April 8, 2015). These conflicting interests led to the situation where the ED (or in some cases the board president) independently introduced changes in the BID by exploiting resources in partnership with local schools, the chamber of commerce, or other community organizations. This partnership involved the use of facilities and equipment, information sharing and dissemination, or volunteer assistance. On the

relational dimension, all those interviewed agreed that trust was very important in BIDs, although they differed with regard to the intensity of trust required at each level of analysis. While at the management-level, the board members and the ED trusted each other, the non-board members and business owners had little confidence in one another and exhibited less commitment toward the BID organization. An indication of this lack of trust was the competitive behavior between business owners, who suspected that some businesses profited more than others from BID services (Park Slope, personal communication, April 24, 2015) (Table 5, C1-C7).

BID as trusted advocator (+bonding, +bridging). Two Brooklyn BIDs can be described as “trusted advocators” with high levels of bonding and bridging SC (FAB Alliance, Myrtle Ave BK). Structurally, their networks involved a large number of diverse stakeholders with bonding and bridging ties at each level of analysis. In contrast to the other BID types, the trusted advocator relied on a professional board where the members represented different groups of the community. Moreover, the presence of anchor institutions on the board (Pratt Institute and Brooklyn Academy of Music) with commitment to be a good neighbor was a huge asset for these BIDs (Taylor & Luter, 2013). This BID type interacted regularly with the other members via mailing lists, events, or social media, leading to further increased interaction among the larger BID population. We found a strong civic infrastructure within the community. In particular, these BIDs had close relationships based on almost daily interactions with their LDCs as essential community partner. Besides playing the central role of LDCs, the trusted advocators managed to establish meaningful and authentic bridging links inside the community as well as outside, for example, with other BIDs. At the cognitive level, BIDs created a purposeful vision of how community residents, public officials, businesses, and other community factors can be used to foster community development by holding multiple micro-identities in balance with a larger unified identity. These BIDs were driven by

community-defined goals and used links to external resources to reach them. On the relational dimension, professional partnerships consisted of more than just information sharing, with organizations engaged in strategic planning processes, collaborative fund raising, and grant applications. The SC configurations of these BIDs gave them the reputation of a ‘go-to resource’ for community needs. Their services were well known and respected by their members and the community as a whole (Myrtle Ave BK, personal communication, March 30, 2015) (Table 5, D1-D8).

4.4.2 Resource Bundling Processes as Mediator

To explore the mediation effect of each resource bundling process on the link between SC and community economic development, we first matched the SC configuration with the BID activity profiles (Appendix IV gives an overview of each BID’s level of involvement in certain activities) and examined how different combinations of bonding and bridging SC influenced the use of stabilizing, enriching, and pioneering. We then analyzed how resource bundling processes influenced community economic development by considering a BID’s capability to revitalize local economies in environments exhibiting different degrees of uncertainty. We focus on the BID’s capability to revitalize local economies, and not on community economic development per se, as the link between BID activities and their actual impact on their service areas is not sufficiently explored because of the difficulty in isolating and quantifying BID impacts (Ellen et al., 2007; MacDonald, Golinelli, Stokes & Bluthenthal, 2010). By revitalization capability, we mean the BID’s ability to increase the quality of the neighborhood’s commercial, physical, and social assets through integrated and coordinated effort as well as local leadership.

SC dimensions	Bonding BID		Bridging BID	
	BID as detached organization	BID as community club	BID as facilitator	BID as trusted advocate
Structural	<i>Small homogenous network</i>	<i>Broad network of BID and community actors</i>	<i>Large and diverse network of BID and community actors</i>	
	A1: “When I came to the BID, there were no women in the room, ever. [...] No women, no people of brown skin, no commercial tenants, only property owners.” (<i>Southern Blvd, ED</i>)	B1: “In some cases, I’m on the board of the Ridgewood [...] housing group. I’m on the community board. A lot of our directors [...] we sit on each other’s boards. We’re very incestuous.” (<i>Myrtle RD, ED</i>)	C1: “I work with local arts institutions [...]. I work with foundations. There’s a lot of nonprofits [...] As much as we can. There are a lot of historical institutions here.” (<i>Washington Heights, ED</i>)	D1: “We go to all community meeting. We have a presence in civic association meetings, tenant meetings, community boards.” (<i>Myrtle BK, ED</i>)
	<i>Stable network structures</i>		<i>Changing network structures</i>	<i>Anchor institution in district</i>
	A2: “A moral voice and change. [...] I wanted to bring a bank manager onto the board. It got a big yelling match because they [board members] didn’t want it.” (<i>Southern Blvd, ED</i>)	B2: “[...] many people that were part of that committee were young, just out of college, out of ... Just like I was and many of those people are still involved today. [...] This is 40 years ago.” (<i>Myrtle RD, ED</i>)	C2: “I’m the fourth full-time ED in the five-year history of. Yeah, so basically, there’s been some changeover, so when the BID was first created” (<i>Bed-Stuy, ED</i>)	D2: “Having Pratt, which doesn’t get any better than that when it comes to local development in New York City, they do have a huge advantage.” (<i>ED of 82nd Street Partnership about Myrtle BK</i>)
	A3: “We’ve had 3 or 4 new members over the last couple years, [they] show up and they don’t just sign on.” (<i>Kingsbridge, Board member</i>)	B3: “We have an annual meeting. [...] Same people show up all the time.” (<i>Myrtle RD, Board member</i>)	C3: “Unfortunately, this BID had a lot of issues when I started. [...] half of the board, if not more of the board, was dissolved, like they had quit. (<i>Washington Heights, ED</i>)	D3: “BAM is certainly one of the most significant partners, [...] our co chair is from BAM. Guidance, information, partnering.” (<i>FAB Alliance, ED</i>)

Cognitive	<i>No interest alignment between BID organization and members</i>	<i>Interest alignment among BID members</i>	<i>No interest alignment among BID members</i>	<i>Interest alignment with BID members and community</i>
	A4: "They may even hate us because they have to pay that additional rent. [...] It's almost like landlord, tenant. It's almost like that, a little bit of a clash, I think." (<i>Kingsbridge, Board president</i>)	B4: "I would say 45, maybe almost 50% of our merchants own their own building. [...] That made it much easier to settle things for us, the community because we had a merchant who understood what it could do and he was a property owner and it was a double vested interest." (<i>Myrtle RD, ED</i>) B5: "[...] there are no personal agendas by the guys on the board when we initially set this thing up. Nobody said, 'Well, I want my store to profit more than your store.'" (<i>Belmont, Board member</i>)	C4: "It is not a homogeneous community. I think where you have as much diversity as we have among the property owners and the business owners, it is not easy to knit together a cohesive whole, right?" (<i>Bed-Stuy, Board president</i>) C5: "It's extremely, extremely challenging. [...] We struggle because the BIDs model is that the majority are property owners. It's their vision, but also it's conflicting." (<i>Grand Street, ED</i>)	D4: "It's all about community. Again, if they're not doing well, we're not doing well. [...] We look at how we can bring them in and incorporate them and help lift them up. [...] There has been widespread acceptance from everyone." (<i>Myrtle BK, Board member</i>) D5: "Being so aligned with the Fort Green Community Counsel [...] when we teamed together ... I mean, city agencies ... They are amazed by what [...] the little BID [...] they've been able to do." (<i>FAB Alliance, Board member</i>)
	<i>Commitment of board members</i>	<i>Commitment of BID members</i>	<i>Limited commitment of BID members</i>	<i>Commitment of BID members and community</i>
	A5: "The board membership, we went through a period last year that we could barely get a quorum together." (<i>Kingsbridge, ED</i>)	B6: "You have to take into account that [BID members] have to give us their time to participate on the BID. They care." (<i>82nd Street, ED</i>)	C6: "It's very frustrating. Even though I've worked with some [merchants] in the past, [...] I always have to start from scratch." (<i>Washington Heights, ED</i>)	D6: "Because we have that kind of support network, that I don't know that all other BIDs have, it has been very helpful." (<i>Myrtle BK, Board member</i>)

Relational	<i>Friendship-based relationships within BID organization</i>	<i>Friendship-based relationships within community</i>	<i>Competitive relationship among BID members</i>	<i>Institutionalized collaboration with BID members and community</i>
	A6: “This is very much more like a family and then you get some family members who are happy and some family members that are not.” (<i>Kingsbridge, Board president</i>)	B7: “There's the social network of Park Slope parents and civic council and a great relationship with the 78th precinct and they've got this old stone house place [...] if there's any confluence of things that can come together it's networks of friendship and people.” (<i>Park Slope, Community actor</i>)	C7: “Sometimes it's not necessarily positive. There's one merchant that refuses to put his merchandise inside. He uses his sidewalk, and other merchants around him complain [...] Another merchant has a competitor who's on the second floor who's using very illegal tactics.” (<i>Washington Heights, ED</i>)	D7: “We need to open it up for the entire community [...] we have a process for inviting the community and letting them tell us what they think they need to see happen.” (<i>Myrtle BK, ED</i>)
	A7: “The average age is 75 to 80 [board]. They are very wealthy, white men in this community. [...] Somehow removed, in a way, from the day to day life of people here.” (<i>Southern Blvd, ED</i>)	B8: “This close knit neighborhood has become an enclave for families” (<i>Park Slope Website</i>) B9: “Out of 7 friends that we grew about 5 blocks from here, 5 of us married girls in the neighborhood. You know what I'm saying? It's really a community.” (<i>Belmont BID, Board member</i>)		D8: “That many of us have been involved in and get to know each other on a deeper level. [...] The feeling I have a great group of people [community] that I trust, that I could call with any issue or problem. [...] It's been really important to have that kind of network.” (<i>Myrtle BK, ED</i>)

Table 5: Evidence Data Illustrating the Social Capital Configuration of BIDs

Stabilizing. We considered two of our sample BIDs as stabilizers; namely, Kingsbridge and Southern Boulevard. Stabilizers target a narrower set of activities, primarily sanitation services (i.e., sidewalk and street cleaning, graffiti, snow and ice removal), and keeping it safe for members by installing security cameras and collaborating with the police precinct, as well as supporting local businesses with a website and events such as summer street sales. To a small degree, they engaged in beautification efforts and installing and maintaining benches, tree pits, and trash cans. Their outreach was rather sporadic, with some interaction with city agencies to advocate for more responsive services. Because they were convinced that it was impossible to control the retail mix, these BIDs did not involve in any specific retail attraction activities (Southern Blvd, personal communication, May 30, 2015). In line with earlier research on small and medium-sized BIDs (Gross, 2005, 2013), stabilizers found their administrative burden (bookkeeping, reporting, contract management, etc.) extremely high, consuming more than 60 percent of the ED's time.

Low levels of bonding and bridging SC characterized the two BIDs, with primary focus on stabilizing activities. A small BID leadership group (that did not even include the whole board) demonstrated a stronger desire for continuity, as compared to BIDs exhibiting higher levels of SC. The desire for stable leadership structures as well as the inability or unwillingness to attract new board members is an indicator of continuity. However, a strong interest in and commitment to continuity resulted in maintaining and continuing the use of existing strategies whose primary concern was place keeping, as opposed to place making. This commitment, which was largely based on the leadership team's shared identity and long-lasting friendship structures, enhanced the BID's desire to maintain the "clean and safe" standard mission to hopefully ensure the district's viability in the future. Furthermore, the lack of bonding and bridging ties at the membership and community levels resulted in more

rigid mental models. Specifically, long tenures of the board president created a form of tunnel vision, reinforcing commitment to the status quo (Powell & Smith-Doerr, 1994).

“It's not that everybody is fine with the status quo, but on the other hand, when you tell them all the things involved in it, their eyes cross [...] and they don't want to [get involved].” (Kingsbridge, personal communication, March 27, 2015)

Despite potential gains for the area, resource allocations outside the known patterns or the adoption of new technologies, systems, or other innovations (e.g., BID expansion, social media usage) were refused or delayed, presumably because they were afraid of some reconfiguration of external social ties or internal power distributions.

In cases of low environmental uncertainty, stabilizing facilitated and supported the efforts of BIDs to remain “up to date” through place-keeping activities. For example, for 12 years, Kingsbridge was considered to be a dormant business corridor, where graffiti removal and supplemental sanitation services seemed to be sufficient to ensure the district's viability (Cruz, 2015). In other words, stabilizing proved effective to maintain its current position and build up acceptable cleanliness standards to prevent deterioration, but it did not spur activity and changes to promote the economic well-being of the area. Thus, we have the following proposition:

Proposition 1a: Under conditions of low environmental uncertainty, a BID exhibiting low levels of bonding and bridging social capital focuses mainly on stabilizing activities, which neutrally influence its capability to revitalize local economies.

However, in 2015, Kingsbridge saw the opening of two new retail shopping centers at each end, making it likely to lose its competitive advantage, because the new development pulled off shoppers from the area (Diaz, 2015). Stabilizing did not yield the type of resource allocation and capabilities required to enable them adapt to these changes in the neighborhood structure. Resources were not sufficiently exploited to produce new ideas, processes, or services that would help them face the new developments. Thus, Kingsbridge's bundling focus on known certainties negatively affected their capability to revitalize local economies.

The resulting mediation between SC and the BID's role in the community's economic development is complex because low levels of SC can increase the use of stabilizing processes within BIDs whereas increased use of this process, in turn, could decrease the revitalization capability of the BID. In sum, evidence suggests the following proposition:

Proposition 1b: Under conditions of high environmental uncertainty, a BID exhibiting low levels of bonding and bridging social capital focuses mainly on stabilizing activities, which negatively influence its capability to revitalize local economies.

Enriching. The majority of BIDs in our sample featured an activity pattern that we termed “enricher” (82nd. Street, Belmont, Bed-Stuy Gateway, Grand Street, Myrtle Ave RD, Park Slope 5th Ave, Washington Heights, Westchester Square). Though also carrying out stabilizing activities, their focus extended to beyond keeping the district up to date. Their primary concern was to “create a buzz” for promoting the district. To reach this goal, they integrated and recombined existing resources to realize their synergies. This involved the recognition of resource recombination opportunities (Sirmon et al., 2007; Sirmon et al., 2011). For example, Park Slope 5th Ave BID combined the resources with its local restaurants and bars to offer a food festival (Park Slope 5th Ave BID, 2015). Grand Street BID formed a resident, business owner, and property owner retail attraction committee and hosted a number of meetings and regularly communicated with property and retail brokers to lure new businesses to the area (Grand Street BID, 2015). Enrichers concentrated on marketing activities, meant to attract residents and tourists, and on business attraction activities. They often served as community liaison and advocate for their constituents' needs, challenging city agencies, like the department of hygiene, to help their businesses get through hygiene inspections. Their administrative burden was similar to that of the stabilizers.

We found that high levels of either bonding or bridging SC enhanced the enriching activities in BIDs. When bonding was high and bridging low, a strong system of social connections at the BID membership level was fruitful in that it built an atmosphere of trust

and allowed the flow of information (Kallio et al., 2009; Tura & Harmaakorpi, 2005). Specifically, BIDs in former ethnic enclaves were characterized by constant and continual interaction between long-standing family business owners. This strong system of social connections increased the efficiency of recombining and integrating activities between BID members that characterize the enriching process (Sirmon et al., 2011). On the other hand, these BIDs suffered from closure of the BID network to other external systems from the tightness of neighborhood emotional ties, reducing the ability of obtaining new information and newcomers to become known and accepted within the BID (Brown & Swanson, 2010).

“It's very close and everybody knows each other. [...] It's also inhibiting because they become stale if they stay in the same. [...] It doesn't really give you an impetus to develop.” (Belmont, personal communication, May 1, 2015)

Thus, ties with partners from other fields to support the acquisition and accumulation of new resources were not available. In other words, the SC configuration inhibited pioneering activities, resulting in focus on enriching activities in collaboration with local businesses.

Alternatively, BIDs with high levels of bridging SC had to cultivate a wider range of group process skills, such as community organizing, to compensate for the lack of bonding SC at the membership level. Board and non-board members had varied perspectives on what might benefit BIDs. Therefore, the assessed BID members were less likely to engage in BID efforts and participate in, for example, merchant events or storefront beautification projects (Westchester Square, personal communication, April 1, 2015). Thus, pioneering efforts to drive community changes were difficult to carry out and even negated when internal conflict of interests dominated (Brown & Swanson, 2010). Still, bridging links created opportunities to recognize how current resources could be combined with community partners:

“It was joint Old Stone House and Park Slope Parents and then we would get funding for this Halloween parade and for the harvest festival from the [...] BID. It was all this wonderful way that we all started working together.” (Park Slope, personal communication, April 6, 2015)

Thus, where bridging SC is high, but bonding capital is low, enriching activities were carried out with outside organizations, rather than with internal BID members.

Under conditions of low environmental uncertainty, enrichment led to the creation of new value for BIDs. For example, for the Belmont BID, the Little Italy of the Bronx that already sustained a thriving business district with world-class restaurants and high-quality artisanal food shops, the necessity to create substantial change was low. Still, the BID promoted the area by combining the resources of its merchants for Ferragosto, an annual Italian food street fair that attracted more than 20,000 visitors (Evelly, 2012). Enrichers can produce incremental change by providing better management and marketing of public spaces. However, they should not be expected to serve as agents for larger systemic social problems related to poverty, unemployment, and crime. Following these arguments, the enriching mediation relationship in certain environments is less complex compared to the other two mediating relationships because both individual relationships are positive. Thus, we have the following proposition:

Proposition 2a: Under conditions of low environmental uncertainty, a BID exhibiting low levels of either bonding or bridging social capital mainly focuses on enriching activities, which positively influence its capability to revitalize local economies.

More uncertain environments frequently require greater enrichment to maintain their current value because of the inability to predict certain local developments. For example, after decades of anchoring for Westchester Square, Woolworth closed its doors due to bankruptcy, thereby decreasing the business of nearby stores as well (Reyes, 2011). Moreover, a row of stores were destroyed in a fire in 2009 (Haller, 2013). Here, the BID's enriching efforts led to a slow revival of the area, avoiding further deterioration. In other words, in neighborhoods of high environmental uncertainty, engaging in increased enriching activities can ensure stability of the commercial district. Stated formally, we have the following proposition:

Proposition 2b: Under conditions of high environmental uncertainty, a BID exhibiting low levels of either bonding or bridging social capital mainly focuses on enriching activities, which neutrally influence its capability to revitalize local economies.

Pioneering. Two BIDs of our sample, namely, FAB Alliance and Myrtle Ave BK, not only provided additional sanitation and security, marketing, and business development services, but also assisted in planning and land use, capital improvements, and creation of special programs (e.g., job creation and internship programs, visitor assistance). We call these BIDs pioneers because of their large set of activities involving significant investments leveraged in partnership with multiple stakeholders. Pioneering involved the recombination of existing resources, as in enriching activities, as well as the integration of new resources (Sirmon et al., 2007). For example, FAB Alliance worked with city agencies, the community, local civic group leaders, businesses, and the elected officials to create the Fulton Street Vision Plan entailing the redesign of three plazas, installation of benches, bike racks, free Wi-Fi services, as well as other elements to make the area more walkable and livable, such as public art installations (Strohl, 2013). Myrtle Ave BK spearheaded Myrtle Avenue Plaza, a 7 million USD capital project to reconstruct the streets and sidewalks on four blocks of Myrtle Avenue (Morris, 2014). Their place-making efforts were driven by innovation and openness for change:

“Believe it or not, we’re really innovative in terms of the normal BID stuff too. The streetscape stuff, the beautification stuff, which is sort of like, people look at it as routine and probably not an opportunity to be innovative.” (Myrtle Ave BK, personal communication, March 30, 2015)

Pioneers spent less of their budgets on administrative costs because they shared resources (office space, staff, bookkeeping) with their LDC; this is one big advantage that should not be forgotten with regard to what a BID can do as community development entity.

Their high levels of both bonding and bridging SC increased the likelihood of these BIDs engaging in pioneering processes. Each BID member was deemed capable to share something valuable with all members, including contributions to BID projects, from street fairs to job

creation programs. Their common understanding and agreement on the BID's mission and goals supported the creation of opportunities for innovations. Moreover, BIDs established strong community ties.

“We definitely get ideas from the community. The way we operate and have operated from the beginning is we want to keep our ear to the ground.” (Myrtle Ave BK, personal communication, March 30, 2015)

In order to create their vision plan, FAB Alliance started with launching workshops attended by over 100 participants and reviewed the draft plans exhibited in multiple events and storefront windows (FAB Alliance, 2015). Subsequently, the BID management had deep tacit knowledge about the communities' needs and this allowed them to quickly integrate new resources. Additionally, they had diverse contacts with the community, and this provided them with the information needed to make cross-field connections. For example, Myrtle Ave BK connected the local private college students with its business owners to obtain free help to redesign their store interiors and facades (C. Wilson, 2009). These connections between different fields of SC increased their pioneering potential and they had a multitude of ‘licenses’ to take advantage of resources from various fields (Tura & Harmaakorpi, 2005). In other words, BIDs that encouraged bonding SC also ensured that cross-cutting ties were strengthened within the community and beyond and were more likely to engage in creative pioneering processes with local partners.

Although this is not the case in our sample, pioneering activities might be unnecessary for BIDs with low environmental uncertainty and, even worse, might negatively affect the BID's role in community development (e.g., BIDs located in a bustling historic city center), because the district might lose its unique character from the adoption of too many novelties. Resources could be better invested in simple stabilizing activities that maintain high quality of space. Thus, once again we see a complex mediated relationship between SC and a BID's capability to revitalize local economies, because high levels of bonding and bridging SC increase the use

of the pioneering process – a process strongly related to change and innovation, which might be harmful to environments with low degrees of uncertainty because it could cannibalize existing advantages. Thus, we have the following proposition:

Proposition 3a: Under conditions of low environmental uncertainty, a BID exhibiting high levels of bonding and bridging social capital mainly focuses on pioneering activities, which negatively influence its capability to revitalize local economies.

The need for innovation and systematic change is more pronounced in uncertain environments. BIDs had to continuously use pioneering bundling processes to gain and maintain community development. For example, in the late 1990s, Myrtle Ave BK, whose nickname was “Murder Ave,” had the reputation as one of the toughest streets in Brooklyn. It was unsafe, had years of graffiti and terrible litter, and had drug problems. The district needed entirely new services and processes. By pioneering community gardens, storefront improvement grants, merchant art exhibitions, etc., jointly with local partners, the BID managed to create systemic change, reduce crime by nearly 30 percent from 2001 to 2008, cut the vacancy rate on the avenue by half, and completely rebrand the corridor (C. Wilson, 2009):

“It really was one of the most remarkable turnarounds I’ve seen in the city [...] There are times I want to bottle up [the ingredients they used] and sprinkle that all over the five boroughs.” (Robert Walsh, Former Commissioner of the NYC Department of Small Business Services, in Olles (2011))

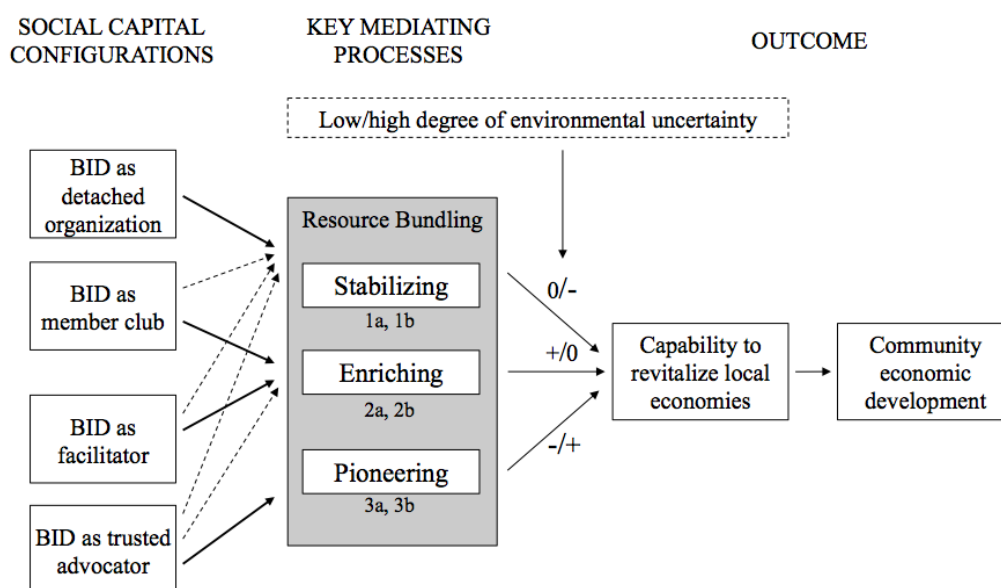
Thus, we find a strong positive relationship between pioneering and a BID’s capability to revitalize local economies, especially in environments with low certainty.

Proposition 3b: Under conditions of high environmental uncertainty, a BID exhibiting high levels of bonding and bridging social capital mainly focuses on pioneering activities, which positively influence its capability to revitalize local economies.

4.5 Discussion and Conclusion

Relying on the logic of ROT and empirically testing it on 12 NYC BIDs, we advance a mediation model of SC effects on community economic development (see Figure 6). In doing

so, we focus on three sub-processes – stabilizing, enriching, and pioneering – of the overall resource bundling process through which unique BID resources such as SC differentially influence a BID’s capability for community revitalization in the context of environmental change. In summary, BIDs seem to have positive impacts on their micro-identities, although disparities exist in the level of services provided, resulting in three different community development functions of BIDs, as district stabilizer, promoter, or reinventor (see Table 6). These differences can partly be explained by the balance of bonding and bridging SC at different levels of analysis, which are more or less advantageous for BIDs to engage in stabilizing, enriching, and pioneering processes. Apparently, the potential importance of SC in BIDs lies in their ability to lever in and maximize the use and development of other sources of capital (e.g., financial and human capital) during the enriching and pioneering processes with other local partners.



^a Numbers correspond to propositions in the text.

Figure 6: A Mediation Model of the Resource Bundling Processes in BIDs

Thus, this chapter contributes to several research streams. First, we add richness to the existing resource orchestration research by applying the transformative resource bundling

process to urban environment. To date, the majority of studies dealing with resource orchestration have focused on firms and their performance (e.g., Chirico et al., 2011; Hitt et al., 2011; Sirmon et al., 2008). By extending this perspective beyond the firm, we prove that strategic management theory can help us understand complex urban issues by offering strong contributions to public policy formulation (Barney, 2005). By integrating the resource orchestration and SC perspectives, we show that public and private managers do not always have the freedom to deliberately and voluntarily pick, combine, and bundle resources, proving that resource orchestration is constrained by SC. Thus, in order to understand resource orchestration, we need to consider the complex social structures underlying these processes. Moreover, we generate new insights into the governance of resources in network structures requiring a different set of capabilities compared to those in a single, hierarchical organization.

Second, we contribute to SC and BID research by providing a theoretical framework to better understand the mechanisms or processes through which SC influences a BID's role in community economic development. These processes are important because they help us better understand the previously reported inconclusive findings on the relationship between SC and community development. Furthermore, we show that managerial actions have an important influence on this relationship. Our insights enable us to better understand why some BIDs are more capable to get things done and create systemic improvement in community economic development than others (MacDonald, Stokes, et al., 2010).

	District stabilizer (n=2)	District promoter (n=8)	District re-inventor (n=2)
Social capital configuration	BID as detached organization	BID as member club BID as facilitator	BID as trusted advocate
Operational priorities	Sanitation and administration	Business development and marketing	Marketing, capital improvements and special programs
Capability to revitalize local economies	Maintenance of the district “There are murals, the streets are clean, there's an event, so we've been helping to create an appropriate environment for development, but as far as development itself is concerned, no.” (<i>Kingsbridge</i>)	Facilitation and navigation of change in the district “It's a good thing to have. I think it enhances it, but I think that neighborhood would've changed nevertheless. [...] So I think the role of the BID it didn't drive this change but it is trying to navigate the change.” (<i>Grand Street</i>)	Community-embedded driver of change “We have a very healthy retail mix. We have business that serve residents across a socio-economic spectrum, [...] Commercial revitalization can't really be what we're all about anymore [...] you've reached that goal already.” (<i>Myrtle BK</i>)
Sample BIDs	Kingsbridge Southern Blvd	82 nd Street Partnership Bed-Stuy Gateway Belmont Grand Street Park Slope 5 th Ave Myrtle Ave RD Washington Heights Westchester Square	Myrtle Ave BK FAB Alliance

Table 6: Summary of BID Types and Attributes Including Exemplary Evidence

Moreover, we empirically analyze the distinction between bonding and bridging SC, which has remained underdeveloped (Coffé & Geys, 2007), and show that it is the balance of different forms and dimensions of SC and how they are actively marshaled to achieve different actions that are critical to the differences between BIDs, rather than solely the ‘level’ of SC resources (Newman & Dale, 2005; Tura & Harmaakorpi, 2005). Our findings demonstrate that researchers can benefit by considering the interplay between levels of analysis when studying the effects of SC. Although SC is created, maintained, and drawn upon by individuals (Burt, 2000), we need to analyze the management-, membership-, and community-level SC configurations to better understand BID-level outcomes.

Several managerial and policy implications emerge from this work. For BID managers, we clearly illustrate the actions and processes to increase innovation and development; specifically, we show which actions can be expected to stabilize an area or drive change by creating more novel innovations. Further, we show that BIDs must recognize the diversity of interests and needs among their members in order to enhance their capability to achieve outcomes. Likewise, BID managers should consistently scan and monitor their environment, focusing on potential changes, in order to assess whether they can stabilize or enrich current capabilities to satisfy the needs of local firms, residents, or other users of the community, or whether doing so will require additional resources for pioneering (Sirmon et al., 2007).

For policymakers, who plan citywide efforts to establish BIDs as a tool for economic development, this study indicates that understanding the network structure and stakeholder interests of the neighborhoods, in which BIDs operate, is more important for their role in creating change than the simple adoption of BIDs. Our findings echo Gross (2005, 2013) and MacDonald, Golinelli, et al. (2010) with regard to BID examinations; they argue that understanding the dynamics of BID areas is important to adequately steer a BID’s priorities toward the development needs of a community. However, not all BIDs should be expected to

function as a proper community development entity; mostly, they cannot facilitate systemic change with their existing resources and scale. Therefore, policymakers should pay particular attention to the creation of effective collaborative governance structures allowing meaningful stakeholder participation, strategic alignment, and collaborative leveraging of resources at the community level. Furthermore, the importance of the bundling processes implies that cities should recognize the value of cohesive strategies in conjunction with BIDs to encourage greater participation and strengthen the relationship between different areas in order to unlock the existing potential in ‘places’ and increase overall city competitiveness.

Although this research is theoretically grounded, the main limitation of our findings and model proposed is that we mainly rely on qualitative data from 12 sites. Thus, we need to be cautious about the results and take them as exploratory, although they may inspire some theoretical insights on the complexity of the effects of SC on community development in BIDs. Specifically, a more substantive measurement of the impact of BIDs as mechanism for enhancing the urban environment is needed. Also, more extensive studies in other settings are required to test the generalizability of our arguments. However, we believe that our exploratory study has generated some results that may warrant further scrutiny. This research specifically considered the influence of three individual resource bundling processes on BID- and community-level outcomes, at the expense of considering the other resource orchestration processes of structuring and leveraging (Sirmon et al., 2011). Structuring encompasses the sub-processes of acquiring, accumulating, and divesting. Interesting questions emerge on each of the sub-processes. For example, what is the effect of divestment in BIDs on community development? Or does the lack of divestment decrease a BID’s flexibility in pursuing new opportunities? The leveraging processes (coordination, mobilizing, and deploying) lead to further questions pertaining to, for example, how SC affects resource leveraging in BIDs, or

whether and how inappropriate leveraging strategies diminish a BID's community revitalization efforts.

Thus, we have shown how SC configurations constrain resource bundling processes. Besides the bonding and bridging processes of SC, Woolcock (1998) recognizes linking forms of SC involving social relations with those in power and authority. Future research could explore the interaction between BIDs and the city service agencies and public elected officials, the voice of BIDs among these agencies to understand the influence of linking SC on resource bundling processes in BIDs, and whether and how such a political economy translates into long-term patterns in community revitalization. This goes with the question of how BID organizations, advocating for their interests with city government agencies in many different settings, confront other community-based interest groups with competing concerns. To answer these questions, research has to analyze the management of BIDs from a citywide perspective and examine how the successful orchestration of BIDs can improve overall city prosperity.

To conclude, the purpose of this work was to advance the research on the relationship between SC and community economic development. We used RBT and insights from 12 small and medium-sized BIDs in NYC to study the underlying resource bundling mechanisms driving this complex relationship. With clear managerial and policy implications for BID activities to spur community economic development and strong suggestions for future work, the model we developed here can contribute to our knowledge of SC, resource management, and community development in the unique but increasingly important BID context.

5 The Influence of Social Capital on the Leveraging of Public-Private Capability Configurations

5.1 Introduction

Collaborations across professional, organizational and sectoral boundaries, manifested in an array of forms and processes such as strategic alliances, networks, coalitions, or other kind of partnerships, have become an increasingly common practice around the world.⁶⁷ Often presented by politicians as panacea for solving “wicked” issues whose management cannot be resolved by single organizations acting autonomously (Rittel & Webber, 1973), they try to capture advantages from risk sharing, knowledge, learning, scale and scope economies (Gulati, Nohria & Zaheer, 2000). However, managing such collaborations can be complex because goals and motivations are often unclear; power relationships are diffuse; accountabilities are multiple; and people from diverse organizations and sectors are imbued with different values and cultures (Williams, 2013). What holds collaborations together and why do actors decide to commit scarce resources in a collaborative arrangement?

The concept of social capital (SC) offers part of the answer (e.g., Burt, 1997; Nahapiet & Ghoshal, 1998; Putnam, 1993). As a primary ingredient in a collaboration, it enables partners to work with each other and overcome dilemmas of collective action (Putnam, 1993). SC is an especially powerful lens because it not only provides a valuable way to characterize a partnerships’ complete set of internal and boundary-spanning relationships (Koka & Prescott, 2002), but also helps us to understand how the structure and quality of these relationships

⁶ Similar to Bryson, Crosby and Stone (2015), we use the term “collaboration” interchangeably with “partnership” because of the prevalence of the latter term in the literature. Yet, we consider public-private partnerships as particular type of cross-sector collaboration based on formal, contractual relationships between two or more entities. Selectively, we refer to studies of public-private partnerships in this chapter, when findings are relevant to understanding theoretical links and cross-sector collaborations more generally (rather than how to administer and structure contracts).

⁷ According to an OECD (2013a) working paper, there exists a total of 1747 public-private partnerships worldwide with an investment volume of 644.8 billion USD.

support (or inhibit) access to a range of opportunities that impact collaborative performance (Nahapiet, 2007). However, even collaborations with high stocks of SC, where partners through time and experience learn that they can depend on each other to pursue common interest goals and commit resources, they still need to divide labor, share planning and decision making, and coordinate their tasks effectively (Gulati, Wohlgezogen & Zhelyazkov, 2012). In other words, the effectiveness and success of collaborative ventures not only rests with people involved in the partnership, but with their capabilities and the establishment of processes to apply their collaborative skills. Thus, the SC perspective does not explain the whole of successful collaborations (Evans & Syrett, 2007; Maloney et al., 2000).

We address this gap by developing a process framework that combines SC and resource orchestration theory (ROT), an emerging strategic management research stream rooted in the resource-based (Barney, 1991) and dynamic capabilities literature (Helfat et al., 2009; Helfat & Peteraf, 2009). ROT, more specifically capability leveraging, has potential to complement the more limited range of SC predictions for the management of collaborations, as it disentangles the actual processes of strategy development and implementation that include (a) the mobilization of capabilities to design a joint strategy, (b) the coordination of capabilities to form capability configurations, and (c) the physical usage of these configurations to implement the developed strategy (Sirmon et al., 2007). While researchers have conceptually elaborated the importance of ROT in the firm context (Hitt et al., 2011; Sirmon et al., 2007; Sirmon et al., 2011), limited empirical research has been realized (Peuscher, 2016). We will argue and demonstrate in this chapter that ROT can be applied to the inter-organizational context and show that capability leveraging is integral to collaborations, because this process transforms SC resources into collaborative outcomes.

In order to contextualize our model, we focus our attention on a specific kind of cross-sector collaboration, namely Business Improvement Districts (BIDs) that have proliferated

globally as influential mechanism for promoting infrastructure improvement projects and providing additional cleaning, security and marketing services in designated urban areas (Ellen et al., 2007; Ewos & Zimmerman, 2010). As hybrid organization of local property owners and merchants that is enabled by state laws and authorized by local governments, they redefine borders between public and private (Morçöl & Wolf, 2010). We analyze specifically how 15 BIDs in the City of Hamburg operate under the supervision of – or together with – their local governments and develop a set of propositions elaborating the mechanisms through which different configurations of SC influence public-private capability leveraging and related outcomes.

Combining SC and ROT lenses allows us to elaborate the actual processes behind cross-sector collaborations in greater depth (Okhuysen & Bonardi, 2011). Hereby, we add a process perspective to SC research, generating insights how SC impacts strategy development, coordination and implementation, and strengthen the empirically under-researched ROT by elaborating each sub-process of capability leveraging in the context of BIDs. The focus shifts from viewing partnerships merely as strategic agreements to achieve added value and share risks to entities characterized by boards, staffs, decision-making processes, communication networks, implementation routines, and other resources and activities, all of which entail practical real-world challenges.

The remainder of this chapter is structured as follows. We begin by unpacking the concepts of SC and capability leveraging, highlighting some of their limitations and the necessity to combine these lenses. After the methodology section, we explain Hamburg BID sample cases to demonstrate the mechanisms connecting SC, capability leveraging and collaborative outcomes. We conclude with an extensive discussion of the unique features of the process model, implications, limitations, and avenues for future research.

5.2 Theoretical Background

5.2.1 The Concept of Social Capital

The concept of SC has achieved wide usage in community studies since it was popularized by Coleman (1988), Bourdieu (1986) and Putnam (1995) and is coming to increasing prominence in the area of inter-organizational research (Nahapiet, 2007). While the SC definitions differ per author, Adler and Kwon (2002) show that its conceptualizations and concerns are broadly consistent or complementary. For the purpose of this study, we adapt a resource-based perspective on SC (Lin, Cook & Burt, 2001; Tura & Harmaakorpi, 2005) and define it as a valuable resource located in social relations that enables individuals or organizations to achieve outcomes they could not otherwise reach (Nahapiet & Ghoshal, 1998, p. 244). Nahapiet and Ghoshal (1998) specify the concept along the dimensions of structural (i.e. network connections between actors), cognitive (i.e. shared representations, interpretations and systems between actors yielding durable connections), and relational (i.e. the nature and quality of connections) SC. This conceptualization is compatible with the theoretical base of ROT, and is also reasonably comprehensive, allowing us to incorporate different types of SC, which, in different combinations, are responsible for a range of processes and outcomes (Woolcock & Narayan, 2000).

Several theorists distinguish bonding, bridging and linking types of SC (Dale & Newman, 2010; Onyx & Bullen, 2000; Woolcock & Narayan, 2000). Whereas the former refers to horizontal social relations and norms within a homogenous group, bridging SC describes horizontal, cross-cutting relations and norms between heterogeneous groups and organizations. Linking SC can be characterized as one form of bridging SC, but it differs in that it includes the vertical links to power and decision-making authorities (Szreter & Woolcock, 2004). Most SC studies focus on horizontal ties, ignoring more vertical connections to actors and institutions situated at other spatial scales (Agger & Jensen, 2015;

Cook, 2010). However, collapsing all social relations into a ‘flat ontology’ of networks blinds us to the ways in which institutions, such as local governments, actively construct and govern public space. Governments shape the conditions in which voluntarily organized business interests thrive (or do not) (Lowndes & Wilson, 2001; Maloney et al., 2000). They are critical to enabling SC as they link together clusters of tightly bonded individuals (Granovetter, 1973). Therefore, in order to understand the plurality of cross-sectoral networks, our study focuses on the horizontal “bonding” and vertical “linking” connections.

There is no doubt in the literature that SC plays a vital role in facilitating collective actions (Maloney et al., 2000), but the question of exactly *how* the presence of the different types of SC lead to collaborative performance remains unanswered. The underlying mechanisms and processes are still unclear, because even in a situation of established social ties, sustained commitment and trust (i.e. high stocks of SC), actors still need to interact to accomplish goals, achieve synergies, use resources efficiently, and to coordinate effectively to complete their joint and individual tasks. Knowledge about stocks of SC does not automatically enable us to read off implications for the strategic management of collaborations such as BIDs. Strategy research mentions SC’s enabling role for inter-functional coordination (Auh & Menguc, 2005), strategy making processes, and the implementation of resulting decisions (e.g., Hitt, Lee & Yucel, 2002; Lovas & Ghoshal, 2000) within one organization, but this link is not well-specified. Public management research elaborates cross-sectoral collaboration processes (e.g., Agranoff, 2012; Bryson et al., 2015; Thomson & Perry, 2006), yet it does not explicitly consider the enabling or limiting role of SC. To discuss this link more systematically, the process of capability leveraging is offered and adapted to develop a process framework for SC analysis in local collaborations.

5.2.2 Capability Leveraging Processes

In response to insufficient research on the actual processes of *how* the different types of SC lead to the surplus value desired by the partners, we argue that the ROT is also applicable beyond the scope of the firm. ROT explicitly considers the role of managers during the process of structuring a firm's resources, bundling them into capabilities, and leveraging these capabilities to eventually realize a competitive advantage (Sirmon et al., 2007; Sirmon et al., 2011). Thus, these processes refer to what Kraaijenbrink, Spender and Groen (2010, p. 356) call "managerial capabilities". The few existing ROT studies dealing with professional football teams (Holcomb et al., 2009), the Italian football league (Bruno, Lanza & Simone, 2016), several firm contexts (Chadwick et al., 2015; Chirico et al., 2011; Wales, Patel, Parida & Kreiser, 2013) as well as the author's previous study on BIDs in New York City (see Chapter 4), clearly show the growing importance of and awareness for specific managerial actions during the processes of resource and capabilities management. As part of the threefold resource orchestration process, *capability leveraging* deals with the exploitation of the firm's capabilities to take advantage of market opportunities to execute tasks linked to performance outcomes (Hitt et al., 2011; Sirmon et al., 2011). We assume that ROT, more specifically the sub-process of capability leveraging, may be usefully applied to analyze public-private collaborations because (1) there is nothing inherent in the ROT that excludes its application to hybrid organizations beyond the firm's boundaries (Foss, 1999), and (2) the process framework allows us to study the micro-dynamics of public-private interaction. The perspective provides insights into the processes by which organizations with diverging value systems and roles in the economy, as well as differing governance mechanism and organizational cultures, work collaboratively, and develop individual and common capabilities.

Capability leveraging comprises a sequence of sub-processes: mobilizing, coordinating, and deploying (Sirmon et al., 2011). In the public-private context, *mobilizing* involves developing a shared, common understanding of each partner's distinctive competencies to develop a plan for capabilities needed to form requisite capability configurations. It entails the design of a joint leveraging strategy and vision that guides collaborative action. With hybrid arrangements, strategic complexity increases as public and private actors follow independent strategies at the organizational and meta-strategies at the partnership level (Klijn & Teisman, 2003). *Coordinating*, i.e. the integration of public and private capabilities based on effective communication networks, knowledge sharing mechanisms and inter-organizational routines, creates capability configurations. *Deploying* converts the partner's ambitions into actions by using the developed strategy to exploit capability configurations. It involves collective courses of action and allocation of resources to carry out these actions (Clarke & Fuller, 2010).

We combine SC with ROT, suggesting that capability leveraging between public and private actors consists of processes used to transform SC resources into collaborative outcomes. In other words, we assume that SC affects how a partnership's capabilities are leveraged. In their conceptual work, Sirmon, Hitt and Ireland mention the positive link between the SC and the effective coordination of capabilities (2007, p. 285) and call for research on the effect of managers' internal and external SC on strategy implementation (2011, p. 1409). As, for our study, the boundaries of interaction are beyond one organization, leveraging becomes more complex and the diverse formal and informal relationships between public and private actors gain higher importance. Cross-sector collaborations usually include actors from different networks in more than one arena (e.g., central and local government, transport and public housing sector), each with their own history and regime (Klijn & Teisman, 2003). We argue that SC participates in the dynamics of linking public and private

capabilities as catalyzer to form capability configurations for effective deployment. In other words, SC is the potential, capability leveraging activates it. To analyze this link more systematically, we examine the following research question: *How does the SC configuration of cross-sector collaborations influence the use of leveraging processes, and in turn, how do these processes influence their collaborative outcome?* We describe this study's research methods and articulate a set of propositions based on comparative data collected from 15 field sites. From our observations, we obtain an interpretive model of SC's influence on public-private capability leveraging.

5.3 Methodology

The present research might be best termed as theory development, in that it elaborates the theoretical links yet to be addressed in the literature by extending existing constructs to other contexts (Ridder, 2017). Previous empirical studies have only focused on resource orchestration processes within private sector organizations and not within hybrid arrangements of public and private actors. Additionally, existing literature mentions SC's influence on how firm's resources are bundled and leveraged (Arregle et al., 2007; Sirmon et al., 2007), but it has not fully specified this link, in particular distinguishing between bonding and linking SC. Therefore, we attempt to connect and extend theory on the role of SC for capability leveraging, as part of the threefold resource orchestration process, in the context of community development by analyzing BID-government relationships.

BIDs can be defined as self-assessment districts that gain intergovernmental status because they are usually initiated and governed by property or business owners, enabled through state legislation, and authorized by local governments to provide public services in designated urban areas (Morçöl & Wolf, 2010; Ruffin, 2010). These partnerships are particularly pertinent for SC research because, as a vehicle for collective action, a BID relies on its

network of property owners, merchants, the local government, state agencies, and non-governmental organizations that define the agenda, priorities, and resource allocations (Gross, 2005, 2013). They also offer a microcosmic opportunity for studying deliberate capability leveraging processes as BIDs create a working arena to exchange resources and capabilities by establishing public-private hybridization in strategy formulation and implementation. We assume that the specific capability leveraging processes of public and private actors will determine the success of this partnership in the long run. Furthermore, by choosing BID-government relationships as object of study, we attempt to fill out the BID literature's picture on how BIDs relate to local governments, as little attention has been dedicated to the analysis of this public-private interaction, particularly to the point of view of local governments (Morçöl & Wolf, 2010).

5.3.1 Research Setting

We used a comparative case study design embedded with multiple units of analysis (Eisenhardt & Graebner, 2007; Yin, 2014) for each of the 15 individual BID-government cases. The three levels of analysis were: (1) BID-government SC configuration involving several subunits, (2) capability leveraging activities between BID and government, and (3) the leveraging outcome. Although the embedded design is complex, it allows for the derivation of rich and reliable models (Yin, 2014). The study was conducted in the German BID context, because so far there has not been much of an academic discourse on BIDs in Germany and Hamburg is an appropriate site. So far, the city remains one of the very few cities in Germany where BIDs play a significant role (Michel & Stein, 2014). Due to the characteristic that Hamburg is a city-state and a municipality in Germany, the governance is split up in two ranks: a city-wide and state administration (Senate of Hamburg), and a local rank for the seven boroughs: Altona, Bergedorf, Eimsbüttel, Hamburg-Mitte, Hamburg-Nord, Harburg

and Wandsbek. All of them are the size of large cities (between 117,000 and 407,000 residents) with their own city-centers, as well as their own elected parliaments and administration (Kreutz, 2010). The City of Hamburg installed a city-wide BID commissioner in the Ministry of Urban Development and created a network of contact persons on the local scale in all of its boroughs (Büttner, Caesar & Schote, 2016).

The 15 BIDs studied are located in each of the boroughs (see Table 7). This fact allowed us to observe a diversity of BID-government relationships with the goal to find differences in SC levels. Simultaneously, by focusing on one city-state, all sampled BIDs operate under the same regulatory regime, thus making comparisons across various BID types and neighborhoods possible. In Hamburg, BIDs are temporally limited to maximum 5 years and have to undergo a renewal process after the predetermined term duration (Eick, 2012). In January 2017, 4 new BID initiatives were under way, while one failed in 2009. BIDs that were still in the formation phase or failed to form were excluded from the sample because deliberate deploying activities were impossible to study. Until October 2016, 13 BIDs have been operating for one or two terms and two BIDs have already been phased out. Neuer Wall and Sachsenator are the longer-established BIDs running for more than a decade. The BIDs are diverse in size and scope, with total budgets for the three to five year terms ranging from 170,000 to 9,300,000 EUR and a median of just under 1,200,000 EUR. Inner-city BIDs in general are richer than those on the urban fringe. The median number of businesses and properties is around 33 in the sample. Their activities are in the realm of marketing, illumination, security, maintenance, and streetscaping. The financially strongest BIDs in Hamburg concentrated the lion's shares of their budgets on improving the built environment. All BIDs in the sample are administered by private for-profit companies, with one construction company managing six BIDs.

BIDs in boroughs	Formation	Term duration	Nb. of terms	Management organization	Budget ^a (in Euro)	Nb. of businesses	Nb. of properties	Operational priorities
Altona								
Waitzstraße	08.12.2015	3 years	I	IGH Haartje L.L.C.	648,000	58	34	Streetscape improvements
Bergedorf								
Alte Holstenstraße	18.04.2009	3-5 years	II	ICC properties Ltd	668,065	58	40	Marketing
Sachsenteur	01.08.2005	3-5 years	III	ICE properties Ltd	433,290	86	102	Service
Hamburg-Mitte								
Hohe Bleichen	20.05.2009	5 years	II	Zum Felde Ltd	908,249	22	19	Marketing & service
Neuer Wall	01.10.2005	5 years	III	Otto Wulff BID Ltd	3,999,250	93	52	Marketing & service
Nikolai-Quartier	13.08.2014	5 years	I	Otto Wulff BID Ltd	9,320,000	27	61	Streetscape improvements
Opernboulevard	09.04.2011	3 years	II	Otto Wulff BID Ltd	690,184	8	16	Service & illumination
Passagenviertel	06.08.2011	5 years	I	Zum Felde BID Ltd	5,056,951	29	22	Streetscape improvements
Gänsemarkt	04.07.2015	4 years	I	Otto Wulff BID Ltd	4,122,209	33	26	Streetscape improvements
Reeperbahn	07.05.2014	5 years	I	ASK Ltd	1,909,470	48	142	Marketing & service
Eimsbüttel								
Tibarg	30.11.2010	5 years	II	Stadt + Handel Ltd	1,198,134	110	28	Marketing
Hamburg-Nord								
Ochsenzoll ^b	17.04.2010	3 years	I	CIMA Ltd	172,651	14	19	Marketing
Harburg								
Lüneburger Straße ^b	01.04.2009	3 years	II	Konsalt Ltd	678,555	78	62	Service

Wandsbek								
Steilshoop ^c	05.12.2012	5 years	I	Otto Wulff BID Ltd	4,092,450	1	87	Streetscape improvements
Wandsbek Markt ^b	16.07.2008	5 years	I	Otto Wulff BID Ltd	3,990,000	57	67	Streetscape improvements
Median					1,198,134	33	34	

^a Includes only private funds and the budget of the latest BID term

^b BID already expired

^c Steilshoop is a Neighborhood Improvement District (NID) and not a Business Improvement District. Hamburg was the first city worldwide to transfer the BID idea to housing or mixed function areas in 2007 with the goal to involve private proprietors in the development of private and public spaces in neighborhoods (Wickel, Kreutz & Bitz, 2007).

Source: BIDs' business and financial plans and Büttner et al. (2016)

Table 7: Description of 15 Business Improvement Districts Studied (2016)

5.3.2 Data Sources

Multiple sources of data such as open-ended interviews, archival and public documents, and direct and participatory observations were collected within cases to provide sufficient and rigorous data for urban cross-case comparison (Yin, 2014). For a summary of our sources, see Table 8. Data collection took place from May 2016 to January 2017, and covered developments from the founding of each BID until October 2016, focusing on the BID initiation and the latest term.

Interviews. In total, we conducted 55 semi-structured interviews. For each BID, we tried to include the perspectives of the BID ED and at least one or two BID board members (property owner or merchant). The BID perspective was mirrored with municipal administrators' and local elected officials' views on the public-private relationship in each borough. At the city-wide level, respondents were drawn from BID-related institutions such as the Ministry of Urban Development and Housing, the Ministry of Finance, the State Chancellery, and the chamber of commerce responsible for the financial oversight of BIDs in Hamburg. 60 percent of the interviews were conducted face-to-face at the subjects' office or public meeting places; the others were conducted by telephone. The majority of interviews were conducted one-on-one, while a few sessions included two respondents at a time. Sessions ranged from 30 to 90 minutes with the average session amounting to 60 minutes. All interviews were transcribed and analyzed using ATLAS.ti.

To avoid instrumentation-induced bias and testing-induced threats to validity, we did not discuss the conceptual framework with the interviewees. However, given their difficulties in understanding the complex concepts of SC and capability leveraging, first we distinguished the phases of BID formation and BID implementation during the interview. For each phase, we then unpicked the SC definition by using Nahapiet and Ghoshal (1998)'s three-dimensional characterization. On the structural dimension, we asked, for example, with whom

the interviewee had BID or city-internal and -external ties and how frequent and intense their interactions were with that public or private actor. Questions on the cognitive dimension asked our informants about such things as their goals and interests for specific relationships with BID members, public administrators or local elected officials, and whether and how these views aligned with each other. On the relational dimension, for instance, we determined whether and how these relationships relied on common norms, friendships, trust, or contractual agreements. In the second portion of the interview, we asked our interviewees about collaborative vision and strategy development processes and their role in performing specific tasks to understand public-private mobilizing activities. Deploying activities were identified by detecting major public-private interfaces and questioning about the individual's actions, routines and challenges for implementing BID services. For each phase, we asked our informants about information channels, attended meetings and events to learn more about the coordination mechanisms used at BID- and city-level. As opposed to the first part of the interview, these questions concentrated on facts and events, rather than respondents' interpretations (Eisenhardt, 1989b) (see Appendix V for the interview questionnaire).

Secondary sources and other data. In addition, 156 archival and public documents such as BID business and financial plans, BID annual reports, financial statements, legislative amendments, BID rulings, minor interpellations, BID guidebooks, university reports, and online newspaper articles were examined as available. These documents constituted a valuable data source; particularly the comparison of BID budgets and service measures in the business and financial plans over several terms allowed us to draw important conclusions regarding leveraging outcomes. This data set was supplemented with direct observations of retailers, restaurants, and other businesses as well as arranged customized walking tours for the researcher in the districts. We also observed and interacted with BID management and public administration staff in the office setting during field work and participated in BID

public events (e.g., illumination of Christmas lights), one property owner meeting, two national BID congresses, and several senate-level BID coordination meetings and roundtables. In particular, the latter allowed us to study the relationship between different BIDs and public actors and how they influenced one another.

5.3.3 Data Analysis

Our data analysis followed procedures recommended by Yin (2014). We first used our data sources to compile individual case studies for each BID-government relationship. We took a multi-level approach and distinguished the three-dimensional SC configurations at (1) the BID-, (2) the borough-, and (3) the senate-level. *BID-level* refers to all paying and not-paying members in the BID catchment area as well as the internal governance structure of BIDs, that is, the ED (and staff) and the steering committee. The steering committee is elected by the BID members and includes commercial property owners, commercial tenants, in some cases residential tenants (with voting rights), the local authority and representatives of the chamber of commerce (without voting rights). *Borough-level* means the political-administrative system in each of the 7 boroughs with the BID contact persons usually located at the economic development office, specialized departments such as the construction control office, as well as local elected officials in the borough parliament and its committees. The *senate-level* includes the Ministry of Urban Development with its BID Commissioner responsible for the further development of the BID legislation, the State Chancellery examining the BID decree-law before official approval, and the Ministry of Finance handling the collection and administration of the BID levy. Guided by the theoretical framework, we created categories of sub-themes, grouped them according to structural, cognitive and relational characteristics and color-coded each level of analysis. This process resulted in thick descriptions of each BID's bonding and linking BID-government SC configurations.

	Interviews						Archival and public documents		Direct observations	
	Property owner	Business owner	Executive Director	Borough (admin)	Borough (political)	Total	Nb.	Examples	Nb.	Examples
Altona				1	(1)	1				
Waitzstraße	3 ^c	1				4	1	BID decree-law	n.a.	n.a.
Bergedorf				1		1				
Alte Holstenstraße	1 ^b	1	1			3	3	Business and financial plan, BID legal decree	n.a.	n.a.
Sachsente	1 ^c	1	1 ^c			3	20	Annual reports, business and financial plans, newspaper articles, financial audits, retail market studies	1	BID property owner meeting
Hamburg-Mitte				2	1	3				
Hohe Bleichen	1		2			3	8	Business and financial plans, BID legal decree, financial audit, newspaper article	n.a.	n.a.
Neuer Wall	(2)	1	1			3	12	Annual reports, newspaper articles, business and financial plans, public-law contract	1	Public event
Nikolai-Quartier	(2 ^b)		1			1	4	Annual report FY1415, business and financial plans, local transport plan	n.a.	n.a.
Opernboulevard	1 ^b		1			2	16	Annual report FY 1516, newspaper articles, business and financial plans	1	Public event
Passagenviertel	1 ^b		(1)			1	5	Business and financial plans, public-law contract, design plan	n.a.	n.a.
Quartier Gänsemarkt	2 ^b		(1)			2	10	Business and financial plans, press releases, BID factsheets	n.a.	n.a.
Reeperbahn	1	1	2			4	1	BID legal decree	n.a.	n.a.
				2		2				

Eimsbüttel										
Tibarg	2	1	1			4	18	Annual reports, business and financial plans, press releases, public-law contract	1	Public event
Hamburg-Nord				1		1				
Ochsenzoll		1	1			2	1	BID legal decree	n.a.	n.a.
Harburg				1		1				
Lüneburger Straße	1 ^b	1	2			4	6	Business and financial plans, newsletters, public-law contract	n.a.	n.a.
Wandsbek				1	1	2				
Steilshoop	2 ^b		(1)			2	4	Business and financial plan, public-law contract, university report	n.a.	n.a.
Wandsbek Markt		1	(1)			1	1	Business and financial plan	n.a.	n.a.
City-wide										
Senate						3	35	Hamburg BID law, legislative amendments, instruction sheets, BID rulings, minor interpellations	3	BID coordination meeting, field trip steering committees
Chamber of commerce						1	6	Reports, guidebooks	3	BID roundtable, BID congresses
Other experts						1	1	Inner-city concept Hamburg 2014	n.a.	n.a.
Total	16	9	13	9	2	5	156	n.a.	10	n.a.
						5				

Table 8: Sources of Data in Hamburg

Moreover, we grouped interview and archival data into time-sequenced arrays to see how the SC configurations evolved from BID formation until implementation.

Subsequently, we expanded individual case descriptions by distinguishing the three leveraging sub-processes of mobilizing, deploying and coordinating. As already indicated, we assume that leveraging processes are closely connected to the BID process phases. In Hamburg, the process involves 4 steps: (1) initialization, (2) development of the BID business and financial plan, (3) legislative authorization (with less than 33 percent NO votes of property owners), and (4) implementation, during which the ED realizes the defined BID services under terms of a contract between himself and the municipality (Binger & Büttner, 2008; Binger, Büttner & Schmidt, 2007). We assumed that mobilizing, i.e., the identification and design of capabilities needed to exploit opportunities in the commercial neighborhood, mainly takes place during phases 1-3. Once the BID is formed (phase 4), we can observe deploying activities, which involve the physical usage of capability configurations. Yet, mobilizing might also occur during implementation; however, it is less probable because the BID legislation and the business and financial plan provide a low degree of flexibility on how it will be delivered (Kreutz, 2010, p. 9), leaving little room for the design of new public-private capability configurations. We realized that coordinating occurs not sequentially to mobilizing but these processes run in parallel during both periods (Sirmon et al., 2007, p. 283), assuming that the successful development and implementation of BID strategies strongly depend on the adequate integration of public and private capabilities. Distinguishing the periods, we coded, for example visioning, planning, negotiating, knowledge sharing, as well as routine activities for service delivery of different stakeholders and grouped them either as public or private leveraging sub-process. As there are yet no evaluation methods in place regarding the success of BIDs and their governments in Hamburg (Kreutz, 2010), we defined plan-centric collaborative leveraging outcomes (Clarke & Fuller, 2010) by comparing defined

goals in BID plans and interview data with reached levels of service delivery, grouping each case into the three categories of ‘more than fully implemented’, ‘fully implemented’ and ‘not fully implemented’⁸.

Once preliminary analyses had been developed, we selected and compared BID-government pairs and noted the similarities and differences within each pair, gradually expanding our cross-case analysis (Eisenhardt, 1989a; Glaser & Strauss, 1967). Using new permutations from each case pair iteration, we compared the cases across different variables of interest, such as the rate of property owners opposing BID formation or the reliance on formal and informal agreements. In the course of this iterative process, we matched initial and developed SC patterns with public-private activity profiles as well as the leveraging outcome to obtain tentative propositions. Using analytical replication, we then determined whether the emerging relationships could be confirmed or disconfirmed in the rest of the sample and sharpened the insights yielded with a set of the relevant literature (Yin, 2014). What emerged were propositions linking SC and the mobilizing, deploying and coordinating processes with collaborative outcomes. Formal observations indicated a consistent pattern, although they did not always conform perfectly (Eisenhardt, 1989a; Sutton & Callahan, 1987).

5.4 The Influence of Social Capital on Capability Leveraging Processes

The field analysis confirmed that SC and capability leveraging processes are mutually reinforcing as SC enhances capability leveraging by facilitating information exchange and relationship-specific investments, and capability leveraging, in turn, increases SC levels via joint activities, and growing knowledge of each other and of the tasks. But SC and capability leveraging may also hinder each other. Leveraging problems can erode public and private

⁸ In 5 BIDs, we could only estimate the outcome based on interview data because the first 3 or 5-year-term was not finished by the end of this study.

actor's commitment to the collaboration over time. Vice versa, weak SC can lead to lingering conflicts over joint leveraging processes, ultimately causing unresolved issues to worsen. In the following, we will explore these relationships in more detail.

5.4.1 Mobilizing

In the City of Hamburg, mobilizing from the private perspective meant to form an inter-sectoral steering committee of property owners, merchants, public administrators, and a chamber of commerce representative, which developed a vision and strategy for the district, set clear BID boundaries, surveyed property owners to determine which local measures are necessary, and discussed the concept publicly with the goal to submit an elaborated BID business and financial plan to the borough administration. From the public perspective, mobilizing involved the general support of private actors in each step with knowledge about administrative processes, experience sharing from other BID projects, the ex-ante willingness to clarify questions about planned BID measures, and the provision of property owners' data. Public actors play a rather consultative role. Moreover, it included the boroughs' formal examination of the BID proposal to ensure that it conforms with public interest, followed by the official ballot.

The existence of bonding SC among local private actors mattered for mobilizing processes. In almost each of the BIDs studied, there was an identifiable history of working together as well as a geographic sense of identity (e.g., Reeperbahn as notorious red-light district). In 8 from 15 cases, private capability configurations were identified by local leaders embedded in merchants' and/or property owners' associations. These existing organizations, if grounded in stable social ties, the united willingness to enhance the commercial neighborhood, and partially close, long-lasting relationships, served as incubator for BIDs. Leaders used their formal and informal networks of relationships to identify local needs, organize the property

owners, or at least obtain their tacit approval, toward the creation of a BID. This finding is confirmed in other studies (Meek & Hubler, 2006; Morçöl & Patrick, 2006; Morçöl & Zimmermann, 2006). Yet, Ellen et al. (2007, p. 6) suppose that well-working voluntary business associations might inhibit mobilizing activities as they already solve “the collective action problem”, reducing the need for BID adaption. This line of argumentation is comprehensible, but not contrary to the positive influence of bonding SC on mobilizing, once the BID formation process had started.

When there was a lack of bonding SC among the business or property owner group, we found significant city involvement by the borough major or other local elected officials. For example, OXBID received 50,0000 EUR financial support for planning assistance from the borough parliament, however the financial incentives did not lead to higher SC levels among private actors but instead raised (too) high expectations towards what the public-private collaboration was able to achieve (OXBID, personal communication, September 23, 2016). In Bergedorf borough, when BID Sachsentor was struggling to renew its third term because of 24 percent of property owners opposing the BID (Büttner, personal communication, December 20, 2016), the borough major acted as mediator to reconcile and identify similar interests as a basis for creating bonding SC. Yet, his capacity to act was limited:

They [borough administration] [...] have rather limited possibilities. They can ask and support us, but it won't work without our own impulse to move forward. (Sachsentor, personal communication, May 20, 2016)

Thus, even though the city intervened, local actors first had to find their own way to mobilize capabilities. These examples showed that the possibilities for initiating mobilizing activities depend on the presence of bonding, and not linking, SC in localities:

“[...] if you want to draw a lesson from the BID process, then that it is nothing you can do from above. [...] I believe that it [the BID initiative] must come from the quarters. If the quarters don't act, they do not deserve it.” (Wandsbek Markt, personal communication, October 31, 2016)

It is easier for public actors to “reach out”, if private actors are already based in a supportive network. As Sachsentr showed, this logic not only applies for the formation of new BIDs, but also for the willingness to renew the BID after 3 or 5 years, which, in other words, is the motivation of local actors to start another mobilizing process. Stated formally, we have the following proposition:

Proposition 1: In local cross-sector collaborations, existing bonding social capital is a necessary precondition for initiating the mobilizing process.

In our interviews, we also learned that linking SC is not unimportant for mobilizing, it supplements bonding SC, once mobilizing started. Effectively planned BIDs made use of public actor capabilities at an early stage. Private actors usually lacked knowledge about BID procedures, or about what they were and were not allowed to do in public space. They depended on their advisory support, as authorization procedures or simple inquiries were significantly accelerated and BID planning costs reduced, if they were communicated to the competent authorities early on, especially in the case of planned measures that involved interventions in the public space. However, to transfer this knowledge in an early stage required that public and private partners had effective working relationships. Existing linking ties to the borough administration were extremely helpful, as usually the administration was perceived as a “black box” by the majority of property owners, making the determination of appropriate contact persons a time-consuming process (Alte Holstenstraße, personal communication, July 4, 2016). Public administrators’ skepticism towards planned BID activities (“BIDs are in the front yard of the city. If you are in the front yard, unasked, [...] you are skeptical.”, Tibarg, personal communication, June 16, 2016) or private actors’ unwillingness to work collaboratively with the public authority (“They should not tell us what do!”, Reeperbahn, personal communication, August 19, 2016) were significantly reduced, when the experienced, city-wide BID commissioner or the chamber of commerce moderated the process. They acted as a boundary spanner in the sense of a communicator, being involved

in networks across agency boundaries, and, as BID specialist, geared towards solving problems at the public-private nexus (Williams, 2013).

The degree of collaboration between public and private actors, and the extent to which mobilizing was built on the distinctive competencies of the different sectors, was essential for the quality of mobilizing outcome, i.e., the approved BID business and financial plan. Strong stocks of linking SC enabled this collaboration, resulting in an executable strategic plan that complied with all relevant laws, described the planned BID measures with clarity and reflected a large majority of the district's stakeholders, whereas weak BID-government SC led to more independent mobilizing resulting in poorly designed BID proposals containing unspecified, even mismatched, measures. For example, although the OXBID proposal got approved, the planned ox-shaped bike racks failed to get implemented because public actors, in hindsight, identified additional injury risks. This could have been avoided, if their specific shape and locations were defined in the BID proposal and communicated up-front to the police and competent authority (Borough administration, personal communication, July 18, 2016). The initial clarity needed to maintain the BID-government relationship was not achieved. The above stated arguments lead us to the following proposition:

Proposition 2: In local cross-sector collaborations, strong (weak) linking social capital leads to collaborative (independent) mobilizing of capability configurations, which in turn leads to superior (inferior) mobilizing outcomes.

5.4.2 Deploying

Once the BID was formed, deploying, from the private actor perspective, meant to implement the actions decided upon in the BID proposal, to publish an annual service and financial plan, and to communicate with public authorities to ensure the running of the daily business. The city government signed the BID into law, collected and redistributed the BID assessment, and the borough administration approved or disapproved BID applications for

permits. For some service areas (e.g., streetscape beautification), the interaction of BIDs with their public authorities was higher than others (e.g., marketing) because they involved more negotiating hard questions about problems and creative solutions in public space.

The ED and his/her staff represented the property owners and were fully responsible for managing the overall implementation of activities. It was usual practice in Hamburg that the property owners included a private contract with the chosen management organization to retain influence on the implementation (Kreutz, 2010). Still, due to its unique location at the boundary between BID organization and municipality, the EDs' managerial tacit knowledge and skills played a vital role in the effectiveness of the deploying process, and consequently, the value created through the BID. They were simultaneously exposed to competing expectations from their BID members and from the public partners (Spekman, 1979). More experienced BID managers found that the difficulties encountered in even the most complex type of public-private network can be alleviated to a great extent through the foundation already built on informal relationships, experiences, and knowledge of political-administrative processes. They knew, for example, who to notify if street furniture was damaged, or which parliament committee decided upon funds for bike parking facilities. This understanding allowed them to function as mediator between BID members, and between public and private actors, enabling the collaborative deployment of public-private capabilities. Thus, similar to Sirmon et al. (2007), we argue that the effectiveness of deploying processes in public-private collaborations is at least partly dependent on the ED's skills in enhancing mutual understanding between actors, on using relational capital and tacit knowledge.

Hence, the ED influenced the quality of BID-government relationships. In our sample, we observed four different BID-government SC configurations characterized by their endowments (weak or strong) of bonding and linking SC, which resulted in different deploying approaches (see figure 7) and collaborative outcomes. Behind every BID-

government relationship lied a messy and dynamic process. For example, Tibarg reported that despite initial suspicion of one another, over time, public and private actors came to explore, discuss and build ongoing working relationships, transitioning from rather confrontational to collaborative. On the other hand, the inner-city BIDs experienced a “step back” in their relationships with the borough administration due to staff cuts and turnover at the operational level: “Actually, we just start [...] from the beginning again.” (Neuer Wall, personal communication, September 22, 2016). In the following, we will explain each of the four types of relationship, related activities, and outcomes. Tables 9 and 10 display evidence data for the SC configurations of each BID-government case.

<i>Linking social capital</i>	High	Integrated deploying	Dynamic deploying
	Low	Passive deploying	Independent deploying
		Low	High
		<i>Bonding social capital</i>	

Figure 7: Social Capital Configurations and Resulting Deploying Approaches

Passive deploying. Our sample included two cases with low levels of bonding and linking SC (Lüneburger Straße, OXBID). At the structural BID-level, they possessed small and less stable leadership networks, and a heterogeneous set of property owners from small private owners to large corporations and institutional investors. This led to some challenges as consensus forming and agenda setting were more difficult. BID members were skeptical and did not see the added value of the BID, resulting in less commitment toward the organization.

On the relational dimension, property owners had little confidence in the EDs, being unsatisfied with their work (Table 9, A1-A5). This situation was mirrored in the linking SC configuration. Property owner's interaction with the city was limited. The EDs, who were not rooted in the neighborhood, first had to build up ties to the borough administration. Public-private interaction took place on a need basis with low levels of intensity. Both BIDs were located in Hamburg's outskirts, which resulted in the BIDs' perception to receive less management attention by the BID commissioner and the chamber of commerce. ("Too bad that Hamburg is not interested in its city limits." (OXBID, personal communication, September 23, 2016). Limited effort was made to establish common goals. For example, in Lüneburger Straße, property owners were frustrated about the borough's political decision to extent the local shopping center as direct competition to the struggling BID commercial strip. They did not have the feeling of being taken seriously as a community actor (Zimmermann, 2014). As a result, the relationships were organized according to contract rather than partnership relation (Table 10, A1-A5).

This SC configuration resulted in what we call *passive deploying*. Public and private actors hardly related to one another, there was a clear separation of responsibilities and each actor concentrated on his/her own tasks. There existed incomplete assumptions about the partners' resources, capabilities, and cultural idiosyncrasies, which made the specification of critical subtasks or interdependencies apt to be mistaken. A synchronization of activities or a willingness to compromise were rarely found. The few existing collaborative efforts to strategically develop the district were not realized:

"[...] a parking space should be optimized a bit. And then we had different meetings and it sounded really good, as if everything would happen, as if there were funds from the city via the cycle path program, [...] and then I had to realize that nothing happened." (OXBID, personal communication, September 7, 2016)

These conflicts led to an atmosphere of disappointment. Often, the ED was the scapegoat of public and private actors (Lüneburger Straße, personal communication, August 3, 2016),

which put him/her in a difficult sandwich position to solve existing implementation issues or introduce new dynamism by submitting new ideas. Moreover, the lack of bonding ties resulted in a situation where individual members questioned their direct benefit from BID services. For example, in Lüneburger Straße, the introduction of a commercial space management to shape a common retail attraction strategy failed, because property owners were not willing to discuss their renting decisions with the BID (Lüneburger Straße, personal communication, May 26, 2016).

Passive deploying resulted in limited collaborative outcomes. Planned measures of the BID business and financial plan were not fully implemented, and those implemented required lower degrees of interaction with the city as they were marketing- or maintenance-focused. Synergy and joint development were nice words in theory, but were not actually achieved in practice, because low levels of interaction and little trust within the network prevented actors from detecting synergistic capability configurations. Deploying failures fueled worry about the benefits of the relationship. In retrospect, private actors wondered, whether the BID was worth the effort and considered other community development tools such as existing merchant unions as less costly and time-consuming alternative to the BID-model. The arguments listed above lead us to the following proposition:

Proposition 3a: In local cross-sector collaborations, weak bonding and linking social capital lead to passive deploying of capability configurations, which in turn lead to a low probability of achieving planned outcomes.

Independent deploying: Six out of 15 BIDs exhibited strong bonding SC combined with weaker linking SC levels (Tibarg, Alte Holstenstraße, Passagenviertel, Hohe Bleichen, Reeperbahn, Gänsemarkt). On the one hand, large network structures involved the BID staff, steering committee and a larger BID population with strong bonding ties. Network members knew one another well for several years, with repeated interaction beyond the BID work, thus establishing a relatively stable pattern of interrelationships. At the cognitive level, we found

that the interests of BID members tended to be homogenous, largely because property owners were local Hamburg businessmen acting in the interest of the well-being of their neighborhood. Intense interactions resulted in high levels of trust among BID members (Table 9, C1-C6). On the other hand, vertical linkages to the city were limited to the executive leadership of the one or two top officers in the BID, who provided the critical connections. Yet, at the borough-administrative level, BID-experienced employees were scarce, and BID-related issues were considered to be on top of their usual workload, which fueled their skepticism and caution towards the BID. Private actors' understanding for the administration's adherence to bureaucratic rules was limited. Their processes were perceived as time-consuming and innovation-inhibiting. It was a reflection of competing institutional logics of market efficiency versus state bureaucracy (Thornton, Ocasio & Lounsbury, 2012). While most EDs acted as bridge-builder, one ED went up against the city, resulting in a situation where the steering committee discussed bringing in a new person to change this contentious relationship (Table 10, B1-B5).

Thus, we found a situation where private actors were rather well-organized and sophisticated in the breath of its collective action repertoire, but where the local government lacked behind. This imbalance produced an *independent deploying* approach. Some BIDs reached out to public officials to address strategic neighborhood concerns or notified public works agencies about deficiencies, trying to develop legitimacy as community actors, however, with limited success. Other BIDs even tried to avoid contact with the borough administration by circumventing lengthy permit procedures, e.g. to install flower boxes. From the administrative perspective, local government functions were only meant for routine and monitoring tasks. BIDs should not cause too much additional work. From the political point-of-view, BIDs were good as long as they did not cause a loss in electoral votes ("Currently there are no complaints. Then I have no problem with them [BIDs]", Borough Mitte elected

official, personal communication, May 26, 2016). One steering committee member complained that elected officials took credit for BID achievements, but he did not see the relationship changing.

This deploying approach showed a high probability of successful implementation of the BID business and financial plan, as local private actors had a high capacity for collective action. Still, there was no momentum and dynamism within the network to exploit public and private competencies collaboratively in order to achieve objectives that could have not been reached with private actor capabilities alone. The city did not recognize BIDs as local knowledge resource or even incubator for innovative ideas, leaving potential opportunities unused (“Every BID is a bit alone. In fact, these resources are being used too little by the city.”, Inner-city BIDs steering committee member, personal communication, May 23, 2016). This cautious attitude of public actors reflected back on the level of engagement of private actors. The evidence and reasoning suggests the following:

Proposition 3b: In local cross-sector collaborations, strong bonding and weak linking social capital lead to independent deploying of capability configurations, which in turn lead to a high probability of achieving planned outcomes.

Integrated deploying: Three cases of our sample featured weak bonding SC and strong linking SC (Sachsentor, Waitzstraße, Opernboulevard). Similar to the first type, these BIDs were characterized by small, network structures with some property owners or representatives of property owners predominately acting in their own self-interest rather than towards collective objectives. The strength and intensity of ties within these networks were variable. For example, in Sachsentor and Waitzstraße, opposing camps of BID members emerged, talking behind each other’s backs after steering committee meetings. Thus, levels of trust were unevenly distributed among them (Table 9, B1-B6). The peculiarity of these BIDs was the existence of a vertical boundary spanner (experienced, well-connected ED and/or steering committee member), who encouraged the maintenance and cultivation of close linking ties,

and whose efforts were mirrored back by the BID contact person. Usually located at the borough's economic development agency, he/she served as a mouthpiece for the private actors into the administration. In some BIDs, the senate-level BID staff compensated malfunctioning BID-borough relationships, serving as mediator between public and private actors. Thus, the relationship with the city was a close partnership with weaker private actor authority as BID networks were less established and interests heterogeneous (Table 10, C1-C6).

These BID-government relationships led to *integrated deploying*, an approach of close alignment with the borough- and/or senate-level actors, where BIDs (especially with limited resources) took advantage of public actors' resources and capabilities. Sachsentr, for example, used the resources of the parks department, i.e., its garage and staff to maintain their large flower planters during winter. In Waitzstraße, steering committee members managed through close contact with the police department and their presence at committee meetings of the borough parliament to receive financial co-sponsorship for street pavement and holiday lights. In Opernboulevard, the well-experienced ED and project managers took the opportunity to receive advice from the BID commissioner for service delivery issues, to find out the appropriate contact person at public agencies, or to brainstorm new service ideas. However, due to a lack of bonding SC at the BID membership level, the ED admitted that "interests for what I am doing here is rather small" (Opernboulevard, personal communication, May 20, 2016), resulting in a situation where he would rather initiate projects with one of his other BIDs than this one.

Similar to the independent approach, integrated deploying led to the full implementation of the BID business and financial plan, mainly due to the professionalism and network of the ED or a very engaged steering committee member. Public actors adopted mechanisms intended to facilitate BID participation, yet, BIDs were constrained by their members, their lack of

interest, or personal conflicts, essentially locking themselves into less productive collective action repertoires. This situation did not provide the impetus for activities beyond planned measures (“We are [...] simply processing the measures and financial plan. There is not much innovation.”, Opernboulevard, personal communication, May 20, 2016). Thus, we propose the following:

Proposition 3c: In local cross-sector collaborations, weak bonding and strong linking social capital lead to integrated deploying of capability configurations, which in turn lead to a high probability of achieving planned outcomes.

Dynamic deploying: Four out of 15 BID-government relations showed strong bonding and linking SC (Neuer Wall, Nikolai-Quartier, Steilshoop, Wandsbek). At the BID-level, common values, shared purposes, trust and the relative stability of private actor networks were the bases of collaborative relations among them (Table 9, D1-D5). The EDs and some dominant steering committee members realized the importance of establishing working relationships with the city professionals and political leaders. Similarly, city officials (especially the BID commissioner at senate-level) intentionally established links to influential inner-city property owners, because inner-city BIDs have higher budgets and are considered to be flagship projects for the city as a whole. Together they used their integrative leadership and experience to stabilize the network and create what they called the “BID family”, a mainly inner-city, network of BID advocates including a range of city administrations, the chamber of commerce, city managements, developers, and others. However, in borough Mitte, the stability generated by top leaders recently reduced when the BID contact point was pared down. From the private actor’s perspective, not every public official did see the benefit and importance of BIDs for the inner-city. Still, over the years, the BIDs managed to establish a reputation as respected community development entity with valuable local knowledge for the city. At the relational level, high levels of trust contributed to this good reputation. Particularly, the close friendships between the EDs and project managers with the senate-level

BID commissioner and his employee were essential for these collaborative relationships (Table 10, D1-D5). However, this should not imply that the BID commissioner gave them a special treatment; each BID in the City of Hamburg had the same opportunities and was treated equally by the Senate.

Such stock of SC allowed for dialogue among key actors as basis for *dynamic deploying*. Deploying activities involved more than just information sharing or formal permit procedures, parties constructively explored their differences and searched for solutions, based on a high willingness to compromise:

“One can then find out the limits of permission-fiction and see how far one can still go. This must be worked out. There is a need to communicate with each other.” (Borough Mitte, personal communication, June 16, 2016)

Over time, the actors developed a more accurate understanding of their joint tasks deploying requirements, and of how their own organizational characteristics complicate or help resolve implementation issues. The BIDs and their competent authority at senate-level not only exploited existing capability configurations, but simultaneously entered new mobilizing processes. In other words, they engaged in strategic planning processes that enabled novel capability configurations. These processes were usually initiated without the borough administration, whose departments or agencies got involved on an as-needed basis. For example, Neuer Wall initiated a pilot project to reduce inner-city delivery traffic by installing storage containers of consolidated shipments, which UPS drivers would pick up and then use tricycles as alternative transport method. From the BID perspective, the project solved the issue of ugly vans blocking the view to their luxury stores. From the city perspective, it reduced the problem of traffic pollution and matched with the city’s broader efforts to decrease its carbon footprint, so that it expanded the project beyond BID boundaries (Büttner et al., 2016, p. 23).

The resulting collaborative performance is relatively straightforward. The combined bonding and linking power of private and public actors, enabled the recognition of another's capabilities and these synergies produced higher level outcomes than these capabilities could produce independently. It allowed them to go beyond their own limited vision of what is possible. BIDs and their local governments used each sector's characteristic strength while finding ways to overcome and minimize for each sector's characteristic weakness (Bryson et al., 2015). Hereby they increased the probability of not only fully implementing the BID business and financial plan, but also developing new public-private capability configurations reaching beyond planned BID goals. In total, the evidence suggests that:

Proposition 3d: In local cross-sector collaborations, strong bonding and linking social capital lead to dynamic deploying of capability configuration, which in turn lead to a high probability of achieving outcomes beyond planned goals.

5.4.3 Coordinating

In order for the collaboration to survive, all activities, organizations, and their units need to be integrated, therefore coordination of dispersed, yet interdependent, public and private actors' capabilities across the BID-, borough-, and senate-level becomes necessary.

Coordinating involves the sharing of explicit and tacit knowledge by establishing effective governance networks among public and private actors (Bryson, Crosby & Stone, 2006). In various typologies of coordination mechanisms, authors distinguish formal (e.g., BID working groups and steering committee, BID manuals, standardized procedures for official permits, strategic planning with BID business and financial plan, reports, budgeting, external contracts with architects and planners) versus informal mechanisms (e.g., implicit and verbal

SC dimensions	Low bonding SC	High bonding SC
Structural	<p>A1: “There are many different property owners, who do not work together” (Lüneburger Straße)</p> <p>A2: “We have a few bigger players, [...] two medium size, [...] a few smaller ones [...] some sit in Berlin, which have nothing to do with anything” (OXBID)</p> <p>B1: “When we got together in 2012, do you think any have greeted with hand stroke and name? They did not know each other.” (Waitzstraße)</p> <p>B2: “The Opernboulevard is actually a bit of a loose organization because of these massive changes in the ownership of land” (Opernboulevard)</p>	<p>C1: “After ten years you know each other.” (Tibarg)</p> <p>C2: “There are always the same twenty people.” (Alte Holstenstraße)</p> <p>C3: “You just know each other. [...] not only the merchants [...] also the political left. It is a bit like a village.” (Reeperbahn)</p> <p>D1: “The first half hour I always have to let them [steering committee members] chat, because they have known each other for 15 years.” (Neuer Wall)</p>
Cognitive	<p>A3: “They [property owners] were always against it and also sued the BID.” (Lüneburger Straße)</p> <p>A4: “Many [property owners] are very indifferent.” (OXBID)</p> <p>B3: “In Sachsenor, there are way too many small cooks spoiling the broth.” (Sachsenor)</p> <p>B4: “We do not have a good community here. [...] There are a few strong property owners who pursue their own interests.” (Hohe Bleichen)</p>	<p>C4: “I think I invited 25 people [to the steering committee meeting] and 23 came.” (Alte Holstenstraße)</p> <p>C5: “[...] the active landowners, who are engaged [are] very, very constructive, and that they recognize the added value.” (Reeperbahn)</p> <p>D2: “[...] people who feel the location where the BID is, is their home, it is not just work to rule.” (Neuer Wall)</p> <p>D3: “We discuss [...] until a consensus is reached. This is really a very nice thing.” (Gänsemarkt)</p>
Relational	<p>A5: “The BID did not bring us closer together.” (OXBID)</p> <p>B5: “There are certain rivalries and enviers [among the BID members]” (Waitzstraße)</p> <p>B6: “[...] there are personal differences between supporters and opponents. They emerged partly from old personal problems” (Sachsenor)</p>	<p>C6: “Everyone knows each other, everyone trusts each other. And that is still like this.” (Tibarg)</p> <p>D4: “We trust you, we [BID] just try this now. Nobody else does it.” (Neuer Wall)</p> <p>D5: “[...] a very, very positive climate. Everyone really has fun [...]” (Gänsemarkt)</p>

Table 9: Evidence Data Illustrating Bonding Social Capital Configurations

SC dimensions	Low linking SC	High linking SC
Structural	<p>A1: “If the voice of property owners is not loud enough to reach the public authorities, then there is something wrong with the authorities.” (OXBID)</p> <p>A2: These meetings of the steering committee are only once in the quarter [...] I don’t want to exclude that there was a city official but he did not engage much.” (Lüneburger Straße)</p> <p>B1: They [BID] are more or less self-sufficient [...] They invite from time to time to steering committee meetings, but that is also rare. (Alte Holstenstraße)</p> <p>B2: “We are not looking for contact [with the city], if it is not necessary.” (Reeperbahn)</p>	<p>C1: “At least weekly, sometimes we talked daily [ED with borough contact person]” (Sachsentor)</p> <p>C2: “How often went to the [borough parliament] committee meetings as a spectator. [...] one gets to know the [...] this was actually always very pleasant, very positive.” (Waitzstraße)</p> <p>C3: “Some have always kept their jobs for years, so you really know them.” (BID commissioner about borough level network)</p> <p>D2: “[...] we actually have extra contacts [to borough departments], [...] with whom we work well together.” (Borough Mitte BIDs)</p>
Cognitive	<p>A3: “There was little understanding of the private side for certain public regulations.” (OXBID)</p> <p>A4: “Now we [property owners] do not even comprehend investing money, when the city is against us.” (Lüneburger Straße)</p> <p>B3: “What is in the Code of Trade and Commerce is law. And some EDs do not like that.” (Tibarg)</p>	<p>C4: “It is giving and taking. I suppose, it works quite well.” (Hohe Bleichen)</p> <p>C5: “Of course, there are conflicts. At the BID-level, we have completely eliminated them, so we always worked well together.” (BID commissioner about his relationship to the boroughs)</p> <p>D3: “There is a consensus that one should shape something together and not against each other.” (Borough Mitte BIDs)</p>
Relational	<p>A5: “„There was mistrust and caution in place.“ (OXBID)</p> <p>B4: “The authority was not regarded as equal by all of us [steering committee]. Perhaps rather like a guest who tells us what is not possible.” (Alte Holstenstraße)</p> <p>B5: “There is only the formal supervisory function, which I fulfill.” (Borough Eimsbuettel - Tibarg)</p>	<p>C6: “It is not a formal relationship. I see it as a friendly relationship on an equal footing.” (Waitzstraße)</p> <p>D4: “One meets on an equal footing and, in any case, with lots of respect.” (Neuer Wall)</p> <p>D5: “You can act faster, because you have built trust, when you see each other more often.” (Borough Mitte BIDs)</p>

Table 10: Evidence Data Illustrating Linking Social Capital Configurations

communication, temporary task forces, normative integration via neighborhood culture, BID conferences) (e.g., Gardet & Mothe, 2011; Morschett, Schramm-Klein & Zentes, 2015). Before the BID application is lodged (i.e., when mobilizing takes place), the process has a highly informal character. The phase is not regulated by legislation, although the steering committee can fix a set of rules of internal procedures independently (e.g., regarding membership and voting mechanisms) (Binger, 2010; Kreutz, 2010). The steering committees' work without legally binding legitimacy, hierarchical structures, and security for taking over tasks and responsibilities requires high common understanding and willingness to compromise among public and private actors:

“Particularly in the formation phase, one must understand each other. You have to do relationship work.” (Borough Mitte, personal communication, June 16, 2016)

This relationship work was essential because existing stocks of SC facilitated the usage of informal coordination tools. Well-established network ties increased personal contacts to ensure public-private communication flow in order to *ex ante* identify potential problems and misunderstandings. Trust among partners provided the confidence that they will work collaboratively toward common goals or goals from which there is mutual benefit. Thus, strong SC supported the reliance on informal coordination mechanisms. On the other hand, a lack of SC would have required more formal coordination to build up this mutual understanding and trust. Yet, not available in this early phase, this could lead to lengthy discussions and an unwillingness to compromise, increasing the danger of collaborative inertia. Stated formally, we propose that:

Proposition 4a: In local cross-sector collaborations, strong (weak) social capital supports (inhibits) the reliance on informal coordination mechanisms (increasing the danger of collaborative inertia) during mobilizing.

Once the BIDs were established (i.e., during deploying), the full range of coordination mechanisms was available. In general, the City of Hamburg exemplified a relatively close and direct relation between city government and BIDs. Especially compared to older BID-

ecosystem such as New York City or larger federal states, where the city halls are mainly concerned with formal supervision and evaluation functions (Ysa, 2007), the degree of informal communication was still very high, stimulated by conferences, field trips, or temporary tasks force meetings. Lots of meetings were not regularly scheduled; rather public and private actors would meet at events. We assume that this is only possible until a certain threshold of network size is reached. Until now, the network was growing, but still manageable, key actors knew and trusted each other (particularly within the inner-city), thus the use of expensive, bureaucratic, formal control seemed unnecessary. Nevertheless, over the past 12 years, the number of BIDs rose and their management was becoming increasingly complex, hence the BID commissioner worked towards standardizing certain BID procedures at the citywide-level. Formal coordination tools such as BID manuals or standardized procedures for official permits contributed to this goal.

Concerning the BID-borough-level interaction, we observed both formal and informal coordination approaches, depending on the existing stocks of SC. The more formalized model relied upon the (mostly trimonthly) scheduled steering committee meetings as central coordination tool for property owners and merchants, the city representatives at senate- and borough-level, and the chamber of commerce. Additionally, steering committee members had work group meetings that were rarely attended by public officials. Beyond that, the BID-borough administration contact was on a case-by-case basis relying on formal permit procedures. A lack of ties into the borough administration usually resulted in communication via the BID contact point. There existed no other coordination tools with borough leaders or elected officials to inform about BID progress or upcoming issues. Likewise, the information flow from borough administration to the BIDs was limited (e.g., no upfront information about planned construction work in the BID area).

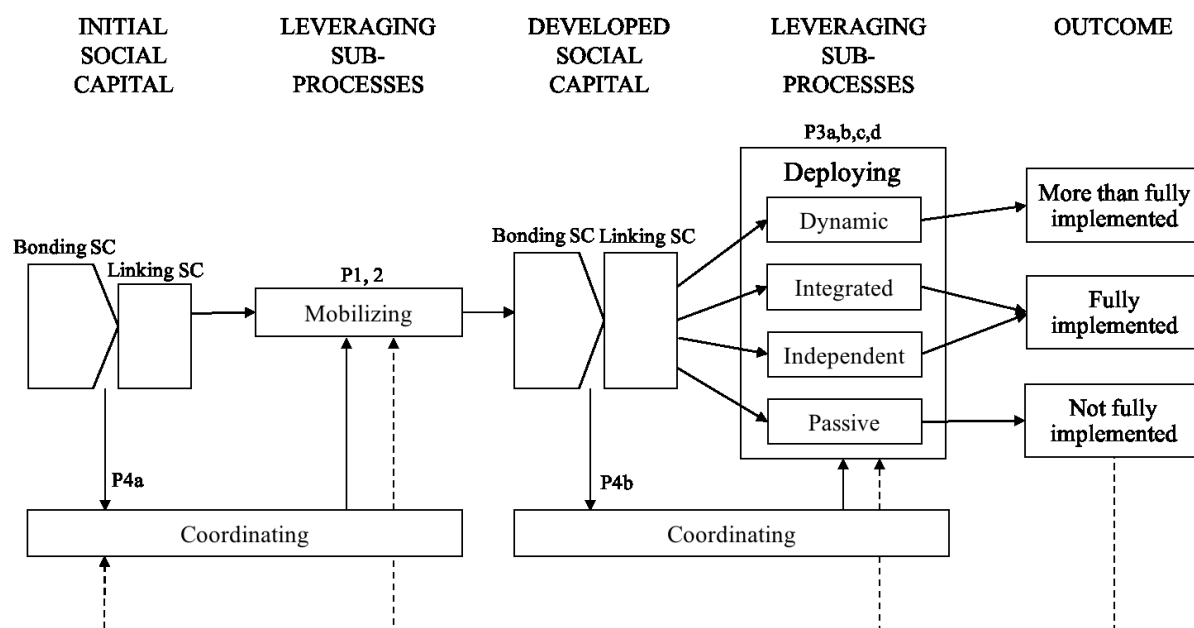
Not surprisingly, the more SC existed between BID-government, the higher the level of coordination. Regularly scheduled meetings in addition to as-needed sessions with the BID contact person, sometimes even the borough major, took place. In Waitzstraße, the head of the steering committee participated in other meetings as a member or observer, including different task forces or committees. Stronger SC levels usually also meant open and frequent communication through informal channels. Rather than communicating via the BID contact person, the EDs called the respective borough departments directly to work out interdependencies and uncertainties and to develop ad-hoc or routine responses. Steering committee members would use their informal connections to political leaders or higher level city officials, if the “formal way doesn’t work” (Reeperbahn, personal communication, August 19, 2016). These relationships were nurtured by informal talks at various events such as the ‘BID experience exchange’ organized by the chamber of commerce. The informal mechanisms did not substitute for the formal ones but they supplemented them. This means, although one would suppose that the partners’ high SC levels would weaken the use of formal tools, such mechanisms were nevertheless extensively used to facilitate the coordination of joint tasks. Still, informal elements were fundamentally important. Opportunities for access may have been available, but it was often the informal aspects of the relationship between public authorities and BID which generated trust and norms of reciprocity. Thus, stated formally:

Proposition 4b: In local cross-sector collaborations, strong (weak) social capital leads to high (low) levels of coordination based on formal and informal (mainly formal) coordination mechanisms during deploying.

5.5 Discussion and Implications

This chapter combined the SC and ROT perspectives to identify various challenges that public and private actors face in joining their efforts, and highlight different strategy development, implementation and coordination approaches that – depending on their SC configuration – actors use to achieve collaborative outcomes. Neither perspective can singlehandedly provide a comprehensive account of cross-sector engagements. On the one hand, the capability leveraging perspective adds nuance to the SC view, as strong personal and emotional bonds might be the base for good working relationships, but another important aspect are collaborative processes that allow partners to efficiently combine their managerial capabilities for strategy formulation and implementation. On the other hand, SC adds to ROT because leveraging activities are constrained by social ties. Often research takes for granted each partners' motivation, and interest in the attainment of joint benefits. If this is not given, the joint leveraging of capabilities becomes difficult, public and private managers do not always have the freedom to deliberately develop new or combine existing capability configurations to implement their leveraging strategy.

As object of study, we chose 15 BID-government relationships to show that the specification of the SC-capability leveraging link seems to promise theoretically richer models. By differentiating bonding and linking types of SC, one can focus on their unique effects for public-private interactions. We used our field data observations, formalized above as Propositions 1-4b, to develop a process model that maps how the different SC configurations influence the sub-processes of capability leveraging and their related outcomes. Figure 8 contains this model^a.



^a Numbers correspond to propositions in the text.

Figure 8: Interpretive Model of Social Capital's Influence on Public-Private Capability

Leveraging

Propositions 1-2 support the notion that SC can unlock mobilizing processes. In particular, the existence of bonding SC is a necessary precondition for initializing the mobilizing process. Solely linking SC would not be sufficient, as there needs to be an established working group with people having the same type of needs and interests, before reaching out vertically. Our findings are similar to Agger and Jensen (2015), who, in the context of Danish area-based initiatives, find that the possibilities for mobilizing linking SC depend on the presence of bonding and bridging SC in localities. In other words, there is a succession in the forms of SC and their related activities. Our findings suggest that, in areas with limited bonding SC, pre-BID initiatives face larger challenges in mobilizing local capabilities, compared to neighborhoods with tighter social relations and greater bonding SC. Yet, linking SC still plays a vital role for mobilizing, because it enables early communication between public and private actors, increasing the probability of jointly developing a clearly defined

strategic plan, and vice versa. Binger (2010) comes to similar conclusions regarding the link between the quality of public-private working relationships and the resulting BID plan in his analysis of 3 BID formation process in Hamburg. In general, the mobilizing process shows that developing a joint strategy is an essential part of a successful public-private collaboration.

The data also reveals that SC influences capability deployment (Proposition 3a-d). We specify four deployment approaches and three plan-oriented outcomes, which help us to address barriers to collaboration, and exploit unused synergies in order to reach higher level outcomes. We show that SC patterns are useful to anticipate because it stresses the interaction of social features of both public and private spheres and allows us to acknowledge that specific SC configurations constrain or support the quality of joint deploying approaches. Besides, our data illustrates the importance of leadership in order for collaborations to thrive (Agranoff, 2012; Bryson et al., 2015). Well-established EDs acted as boundary spanners of different logics. They could transmit or champion local needs within structures of local government and explain the logics of bureaucracy and politics to private actors. In contrast, others were less likely to have full levels of trust from their BID members. Instead of making use of their brokerage position, they failed to unite conflicting influences, quickly became disillusioned, and accepted more positions of compromise. Existing literature on the behavior of boundary spanners in public-private partnerships confirms the significance of trust for their work during the implementation stage (R. Jones & Noble, 2008).

Moreover, our study establishes links between SC and the coordination mechanisms applied during mobilizing and deploying (Propositions 4a-b). It also enables us to identify and describe a set of specific coordination mechanisms used in public-private collaborations. Generally, mobilizing activities rely on informal coordination mechanisms, while the deploying process typically produces a reemergence of reliance on formal coordination. This is what Bryson et al. (2015, p. 654) call “the strategy of temporal separation”. The stronger

the stocks of SC, the higher the use of informal networks and lateral relations. Thus, in addition to the structural and formal tools, the informal and more subtle instruments are used. This finding resonates with the much-debated question in inter-organizational research, whether trust is a substitute or complement for formal coordination mechanisms (e.g., Adler, 2001; Gulati, 1995; Poppo & Zenger, 2002). We argue in a similar vein like Dekker (2004), that SC complements the use of formal mechanisms for task coordination until a sufficient level of control is realized.

We believe that our exploratory study has generated contributions to several research streams. First, we strengthen ROT, an emerging theory that still lacks empirical foundation (Peuscher, 2016), by applying the capability leveraging process to local public-private collaborations. The contextualization of ROT allowed us to develop a theoretically richer process model for the management of cross-sectoral collaborations highlighting the relationships among initial social conditions, processes, and outcomes of collaboration. We generate new insights on the necessary and sufficient conditions for initiating mobilizing, elaborate the link between independent or joint mobilizing activities, and the quality of mobilizing outcomes. We specify different deploying approaches, related outcomes, and develop of deeper understanding of the specific coordination mechanisms used in BID-government relationships.

Second, we contribute to SC literature by giving linking SC a place in the theoretical debate. We demonstrate how it supplements bonding dimensions of SC, hereby getting a better understanding of the character of networks and an indication for the stability and legitimacy of decisions. Furthermore, we generate insights into the relationships and mechanisms by which SC leads to strategy development, implementation and coordination processes. Third, we contribute to BID literature addressing the under-researched aspect of BID-government relationships. We sharpen our comprehension of how BIDs and

governments relate to each other by elaborating four different working approaches. Moreover, by clearly distinguishing between the steps of mobilizing, deploying, and simultaneous coordinating, we add a process perspective to BID research that allows us to evaluate BIDs according to their level of partnership from formation to implementation.

In terms of practical implications, both the model and the case studies stress the interconnections between SC and capability leveraging, meaning that public and private managers should monitor not just for emerging conflicts and misalignment of interests but also for weaknesses and opportunities in collaborative management processes to promote partners' compatibility. The SC perspective reminds managers not to neglect the social needs of their private and public partners, and to build trust and sustain commitment – even in partnerships that are primarily struggling with implementation issues – because doing so may indirectly support implementation by providing for effective and open communication. The process model prompts practitioners to assess not only partners' contributions and goals, but also anticipated leveraging needs and estimated capabilities. Further, it encourages practitioners to assess whether partners' contributions are sufficient or, alternatively, whether coordination requirements exceed their abilities such that ambitious goals need to be scaled down.

For policymakers and administrators in the BID context, our findings on the succession of bonding and linking SC for initiating mobilizing show that giving financial incentives for BID formation will only be useful, as long as local stocks of bonding SC exist. Still, public and private managers should to a larger extent include the linking SC dimension in their strategic approach (Agger & Jensen, 2015). Moreover, city governments should integrate BIDs into their town center strategies in order to efficiently use private resources (A. Schwab, Taylor, Wilson, Griffiths, Masundire & Rich, 2016) and institutionalize successful approaches for

BIDs working with local governments to ensure collaborative working relationships (Wolf, 2008).

5.6 Limitations and Future Research

Like any model intended to capture the complexity of cross-sectoral processes, the model developed here has elements that need further exploration. For example, the lack of availability of BID performance data made it difficult to properly assess collaborative outcomes. The reliance on the fulfillment of plan-centric outcomes documented in the strategic plan did not allow us to specifically determine the economic impact of public-private activities in their district. Further, the question remains whether, or to what extent, the model derived from the specific BID-context may be scaled beyond the municipal context. While it is likely that this model is applicable for public-private collaborations in differing contexts, for example, to health care partnerships, and at different scales, for international development partnerships, this has not been studied in this chapter. Another limitation in the study is that the researcher was not permitted to attend board meetings or committee meetings of board members. Most information was based on interviews, leaving the question open whether we were always able to detangle complexities in order to seek underlying reality, or whether we got stuck in “the thick veil that hides it” (Miller & Tsang, 2011, p. 152). These limitations however, do not prevent exploring relationships and related actions.

This chapter raises a host of questions for future research. Future studies could examine the question whether the positive or negative influences of SC on ROT and vice versa are symmetrical, i.e., whether weaknesses erode strengths, or strengths help repair weaknesses. For example, if actors are usually cautious, but have robust strategic planning procedures in place, would successful capability leveraging help to improve trust? Or would trust undermine leveraging activities? In general, strong SC and weak leveraging processes may be a better basis for sustained effort, as strong ties may be more likely to motivate actors to solve

implementation or communication issues than would ‘mere’ deploying routines to cause them to revise their cooperativeness in the relationship.

We have shown how bonding and linking SC influence leveraging processes, but we excluded bridging SC from our analysis. Yet, local collaborations do not operate in a social vacuum but may advocate for their interest in collaboration with other community-based interest groups, or confront with organizations with competing concerns. There can be a great potential for BIDs or other kind of cross-sectoral partnerships, if they work strategically with the different networks in the localities. This requires a better conceptualization of what types of SC are present or available and the types of activities that follow from these stocks. More specifically, it would be interesting to find out, if the role of bridging SC for leveraging can be put in a certain order regarding the other SC types.

Finally, a logical extension of this analysis would be to focus on the complex evolutionary patterns of SC configuration and related leveraging activities. Our analysis covered intertemporal aspects in the interviews, however, we did not accompany the BIDs over several years. A proper longitudinal analysis could reveal how social continuities and discontinuities affect leveraging mechanisms and outcomes, as the evolution of SC and capability leveraging does not necessarily need to follow positive or negative spiraling paths; instead it may trace more complex, less predictable patterns over the course of the partnership.

In conclusion, we combined SC and ROT to analyze BID-government relationships in Hamburg, in order to explain the underlying SC-capability leveraging link that drives these relationships. The process model developed herein contributes to our knowledge of how collaborations from conception to implementation are managed to overcome weaknesses and exploit synergies. In our network society, where knowledge and resources are distributed over

various actors, this knowledge is necessary in order for partnerships to achieve true collaboration instead of mere cooperation.

6 Overall Discussion and Concluding Remarks

6.1 Consolidation of Findings

Taken together, this thesis makes several contributions to understanding how cities and their sub-units BIDs can be strategically managed to achieve competitive advantages. In short and simplifying terms, this thesis finds that mere resources are frequently insufficient to improve urban performance in our increasingly demanding world; policymakers, administrators, businesses and other urban actors need capabilities to use resources efficiently while adapting to their changing environments. The four steps resource orchestration process of (a) structuring the resource portfolio, (b) bundling resources to capabilities, (c) leveraging capability configurations, and (d) continuously synchronizing each activity describes how they consciously manage resources and build up these capabilities within the urban context. However, these resource orchestration processes do not happen in a social vacuum. They are enabled and/or limited by a variety of stakeholders, their network of relationships, inherent interests and capabilities. Districts characterized by weak SC networks tend to focus on stabilizing resource bundling activities rather than taking up novel or creative resource combinations in collaboration with other actors, whereas strong bonding and bridging SC levels lead to pioneering bundling activities. Similarly, the thesis finds that capability leveraging processes are influenced by SC patterns, and vice versa, leading to a variety of mobilizing, coordinating and deploying approaches as well as collaborative outcomes.

To elaborate on these findings in more detail, this dissertation was motivated by the observation that research on city competitiveness is spread across a number of disparate academic disciplines and fields. It does not provide a coherent set of recommendations for urban leaders facing the challenge to generate and sustain a strong performance for their place (Audretsch, 2015). This said, existing research does however contain considerable and important insights into the question why the performance of places varies so greatly.

However, these findings are fragmented, often too complex and specialized, not giving explicit guidance for policymakers, administrators and practitioners on how to establish a competitive advantage. The city is usually treated like a black box, through which certain inputs flow to become output factors, however the process on which they depend is not considered (Gardiner et al., 2004). This critique equally applies to the BID literature, as there exist only few studies on the micro-dynamics and management challenges of BIDs.

From this viewpoint, Chapter three finds that RBT, especially ROT, can be successfully applied to the city context and conceptually elaborates a resource-process-output framework for the dynamic analysis of city competitiveness. It describes that resources with a high local specificity are strategically important, explores each of the resource orchestration processes and components, and defines the capabilities needed in each step. I suggest that cities consisting of a complex system with reinforcing interactions are more likely to achieve a performance advantage because those combined structures are valuable and difficult to imitate.

Chapter four addresses resource bundling as one step of the process framework at the BID-level. It finds that a resource, which is unique to BIDs (SC), differentially influences the BID's role for community development through the resource bundling processes of stabilizing, enriching, and pioneering. Specifically, low SC in BIDs increases the use of stabilizing activities that do not yield the capabilities needed to adapt to changing neighborhood structures, whereas high SC levels support the use of pioneering activities, i.e., resource allocations outside the known patterns. BIDs with either low bonding or bridging SC usually focus on enriching activities to promote the district's assets, which are sufficient to ensure the stability of the commercial district in neighborhoods with high environmental uncertainty.

Chapter five investigates the third step of the resource orchestration process, namely capability leveraging, which moves the city and/or BID from a potential competitive advantage to actual performance by developing and implementing appropriate strategies to cultivate the city's and/or district's assets. Whereas chapter four focuses on the BID's horizontal social networks, chapter five's study integrates a vertical perspective by analyzing capability leveraging between BIDs and their local governments in the City of Hamburg. The study confirms that SC and capability leveraging processes are mutually reinforcing. I distinguish four different BID-government SC configurations, which result in mobilizing processes on the continuum from independent to collaborative, coordination approaches that combine formal and informal tools, and four different deploying approaches, each associated with different collaborative outcomes. In the subsequent section, I discuss the contributions of this dissertation from the perspectives of its main theory and literature streams.

6.2 Contributions to the Literature

The findings of this thesis contribute to four research streams. First, I contribute to the emerging, yet empirically still under-researched, theory of resource orchestration. I show that this strategic management approach can be usefully applied to the city and BID context, not only shedding new light on the question of value creation in places, but also proving that our discipline can provide answers for understanding and tackling grand societal challenges (Eisenhardt et al., 2016; George, Howard-Grenville, Joshi & Tihanyi, 2016). I give ROT its specific urban shape by elaborating each resource orchestration step in the city and BID context. Hereby, I add richness to Sirmon et al.'s (2011) generic process model and generate new insights into the governance of resources and a unique set of capabilities needed in network structures. By analyzing how SC relates to resource bundling and capability leveraging processes, I show that internal and external social networks and the SC embedded

within those networks affect resource orchestration actions. Managers, who want to successfully orchestrate their resources, must ensure cooperation across various organizational boundaries and spatial scales.

Second, this dissertation contributes to SC research. Though recent literature has explicitly recognized the importance of distinguishing the different types of bonding, bridging and linking SC, the empirical operationalization of this theoretical distinction has thus far remained underdeveloped (Coffé & Geys, 2007). I take a step to resolve this issue by analyzing each SC type at different BID levels. On top of that, I show that it is the balance of different forms and dimensions of SC and how they are actively marshaled to achieve different actions that are critical, rather than solely the “level” of SC resources. Building on Agger and Jensen (2015), I suggest to consider a certain succession or time aspect in relation to the generation of the different forms of capital between bonding, bridging and linking SC. Moreover, by combining multiple theoretical lenses (Okhuysen & Bonardi, 2011), I add a process perspective to SC research and resolve conflicting arguments on the relationship between SC and community development (Tura & Harmaakorpi, 2005). I also explain the relationships and mechanisms by which SC leads to strategy development, implementation and coordination processes.

Third, the results have implications for urban development research. The ROT lens describes how cities can enhance their competitiveness with synchronized resource orchestration actions. Rather than trying to attract investment, employment and skilled labor from elsewhere, cities should identify competitive advantages building on the sound assessment of their resource base. However, place-specific strategic resources are necessary but insufficient to create competitive advantage; indeed, resources must be effectively managed in order for their value-creating potential to be fully reached. Thus, managerial actions have an important role (Sirmon et al., 2007; Sirmon et al., 2011). By providing a

systematic process framework how cities achieve competitive advantages, I add a dynamic approach to the many existing static approaches in the literature.

Finally, this thesis has various implications for BID research. Though BIDs are widely deployed as a strategy for local economic development, the theorization of relationships between BIDs and local economic growth is woefully underdeveloped. The existing studies are dominated by (largely critical) contributions from urban theorists, geographers and political scientists. I sharpen the understanding of the expanded relations of BIDs to other community actors, in particular, the local government. Hereby, I generate valuable insights on the role of BIDs within urban governance networks. Moreover, I provide a more strategic approach to the management of BIDs and create micro-level insights into the management challenges at different BID levels. I show that they are very diverse in their membership structures, resulting foci and priorities. These are useful observations for the discussion of the role of BIDs as community development entities (MacDonald, Stokes, et al., 2010).

6.3 Practical Implications

I claim that this dissertation also has practical relevance to guide public officials, such as city economic development agencies, practitioners like the chamber of commerce, businesses, and other constituents in developing and implementing strategies designed to enhance the performance of their place. Generally, the thesis implies that – though path dependence and lock-in situations constrain effective policy making – urban decision-makers' strategic choices can change a city's trajectory and improve its competitiveness through appropriate resource orchestration decisions. While traditional economic development strategies involve some effort to recruit major employers, such as manufacturers or large retailers, or attracting clusters of related firms and institutions, urban decision-makers should emphasize existing

assets and distinctive resources. They should be reluctant to imitate a popular policy originating in a different urban context without accounting for the city-specific resource base.

Moreover, they should take a systems approach for improving the understanding of the interconnected nature of technologies, governance levels, infrastructures, organizational practices, etc. in places as a basis for integrated decision-making and synchronized resource orchestration actions. Building competitiveness is a challenge with multiple dimensions, which increases the need for substantive coordination and integration of policy interventions. Designing integrated and coherent urban strategies will help to leverage the resources that each party can bring to the table to make the most of the city's and/or district's resources.

Concerning BIDs, this thesis has implications for public as well as for private managers. For public officials, the findings imply that BIDs are not a panacea for the revitalization of all town centers and for solving greater community problems. Similar to Gross (2005) and MacDonald, Stokes, et al. (2010), I argue that understanding the network structures and stakeholder interests of the communities in which BID operate is essential for their successful management. BIDs are very diverse in their focus and priorities. Simply creating new BIDs without adequately steering its priorities towards the development needs of their communities will not be successful. Furthermore, in order to unlock the existing potential of each district, local governments should integrate BIDs into their town center strategies and create effective collaborative governance structures allowing meaningful stakeholder participation, strategic alignment, and collaborative leveraging of resources. Successful approaches for BIDs working with their governments should be institutionalized in order to ensure long-term collaborative working relationships.

For BID managers, I explore several management challenges and illustrate actions and processes to support them in developing the BID capacity such that they can move from simply stabilizing their areas to become more active enrichers and even pioneers. They should

recognize the diversity of interests and needs of their members, and monitor not just for emerging conflicts and misalignment of interests but also for weaknesses and opportunities in collaborative management processes. Besides the BID-internal focus, BID managers should scan their external environment. On the one hand, they should look for community partners to orchestrate resources together, and on the other hand, they should be aware of potential changes in the neighborhood in order to adapt to or avoid external demands.

6.4 Limitations and Avenues for Future Research

Several limitations apply to this dissertation. Generally, it remains questionable whether a theory from the field of strategic management of firms can be easily transferred to the field of urban development, as cities or BIDs are not perfectly analogous to firms. The presented model does not consider different geographical scales, and lacks a discussion of the legal, administrative and institutional frameworks through which cities are managed. They might enable and/or constrain the resource orchestration actions. However, even though the model is not always a good fit for the complexity surrounding cities, it can be considered as a starting point that needs further elaboration in the urban context.

Regarding the empirical analyses, the main limitation is that the studies mostly rely on qualitative data from 12 and 15 field sites. The multiple case study approach offers a means of investigating BIDs as complex social units and inspires some theoretical insights on the relationship between SC and ROT, however, the results need to be taken as exploratory. Specifically, the SC analysis could be enhanced by using social network analysis techniques in order to make the networks more analytically tangible. Moreover, there is no guarantee that the BID-level results may be scaled beyond the municipal context because BIDs as community development entities form a distinct research context. Another difficulty the researcher faces is the lack of availability of good data for the measurement of BID impacts. This will always make the assessment of BID performance less than totally convincing.

These limitations should be addressed in further research. First, future studies should elaborate ROT in more depth to give the model its specific urban shape. For example, the research could be expanded to more, or at least a better diversified sample of BIDs in the U.S. or Europe. Researchers could also apply the model to empirically different contexts, e.g. the analysis of smart city projects, to examine whether the processes and relationships in the model are supported, and which aspects in different contexts are more (or less) relevant for the performance of places. Besides SC theory, ROT could be combined with other strands of theories such as the evolutionary approach. Resource orchestration efforts could be, for example, explored across the adaptive cycle (four phases of exploitation, conservation, release, reorganization) (Simmie & Martin, 2010) in order to comprehend how policy-makers can strategically shape broader evolutionary trajectories of cities by prioritizing their actions accordingly.

While this thesis provides an empirical analysis of the bundling and leveraging resource orchestration steps, it does not study in detail structuring and its sub-processes. It does also not consider interaction effects between each process component. Future research could analyze the entire four-step process with emphasis on synchronizing mechanisms. This might help us to answer the question of how trade-offs between the three dimensions of social, economic and environmental competitiveness can be managed, given the fact that economic development, social welfare, and environmental policies must become better integrated to build competitive cities and communities. Even though policymakers have recognized the link between social and economic development, there is little understanding how the social condition of particular cities and their communities impinges on economic development trajectories and vice versa (Huggins, Izushi & Thompson, 2013).

Future studies may also offer promising extensions to this research by further elaborating the different forms of BIDs that can be read as an effort to create a typology of SC, each

associated with different benefits, risks and costs. Moreover, the question remains how more quantitative evaluation methods can be developed to document the soft outcomes of urban development entities such as BIDs. Future research also needs to examine not only two-way but also triple interaction effects between bonding, bridging and linking SC to better understand how the combination of each type affects individuals, districts and cities as a whole.

There are many theoretical and empirical approaches from the fields of business, management and organization scholarship, which can add considerably to the study of BIDs. For example, the dynamic capability lens (e.g., Helfat & Peteraf, 2009) can provide a micro-level perspective to get a better understanding for the management issues and capabilities needed for BID managers and local government officials. The findings of such studies can help answer the question to what extent they have unique needs at the intersection of the public and private spheres, or whether they are similar to all managers in governance networks (Morçöl & Wolf, 2010). Business eco-system (e.g., Moore, 2006) or activity system approaches (e.g., Porter & Rivkin, 1998) may help us to understand how BIDs, as they become more central actors in urban governance networks, can improve overall city performance through a coordinated strategy, while carving out the unique characteristics of its neighborhood.

To conclude, there are several promising avenues for future research on the strategic management of cities and BIDs. This dissertation represents a first step to answer the question of how places can build up competitive advantages and improve their performance. Even though there exists no simple formula to answer this question, I believe that the elaborated and empirically applied resource orchestration model provides a basic framework to guide the formulation and implementation of effective strategic approaches.

7 References

- Adegbesan, J. A. (2009). On the origins of competitive advantage: Strategic factor markets and heterogeneous resource complementarity. *Academy of Management Review*, 34(3), 463-475.
- Adler, P. S. (2001). Market, hierarchy, and trust: The knowledge economy and the future of capitalism. *Organization Science*, 12(2), 215-234.
- Adler, P. S., & Kwon, S.-W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, 27(1), 17-40.
- Agger, A., & Jensen, J. O. (2015). Area-based initiatives - And their work in bonding, bridging and linking social capital. *European Planning Studies*, 23(10), 2045-2061.
- Agranoff, R. (2012). *Collaborating to manage: A primer for the public sector*. Washington, DC: Georgetown University Press.
- Agranoff, R., & McGuire, M. (2004). *Collaborative Public Management: New Strategies for Local Governments*. Washington, DC: Georgetown University Press.
- Alford, J. (2002). Defining the client in the public sector: A social-exchange perspective. *Public Administration Review*, 62(3), 337-346.
- Alford, J. (2009). Public value from co-production by clients. *Public Sector*, 32(4), 11.
- Amin, A., & Thrift, N. (1995). Globalisation, institutional 'thickness' and the local economy. In P. Healey, C. S., S. Davoudi, S. Graham, & A. Madani-Pour (Eds.), *Managing cities: The new urban context* (pp. 91-108). New York: Jon Wiley and Sons.
- Amit, R., & Schoemaker, P. J. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14(1), 33-46.
- Anholt, S. (2006). *Competitive identity: The new brand management for nations, cities and regions*. New York: Palgrave Macmillan.
- Antokal, E. (2015). *Business Improvement Districts trends report FY 2014*. Retrieved from the NYC Department of Small Business Services (SBS): <http://www1.nyc.gov/site/sbs/neighborhoods/resources-for-bids.page>
- Armstrong, H., & Taylor, J. (2000). *Regional economic policy* (3rd ed.). Oxford: Blackwell Publishers.
- Arregle, J. L., Hitt, M., Sirmon, D., & Very, P. (2007). The development of organizational social capital: Attributes of family firms. *Journal of Management Studies*, 44(1), 73-95.

- Asheim, B., Annerstedt, J., Blazek, J., Boschma, R., Brzica, D., Lindholm Dahlstrand, Å., . . . Moula, M. (2006). *Constructing regional advantage: principles, perspectives, policies*. Retrieved from the Network of Dynamics of Institutions and Markets in Europe: http://www.dime-eu.org/files/active/0/regional_advantage_FINAL.pdf
- Audretsch, D. B. (2015). *Everything in its place: Entrepreneurship and the strategic management of cities, regions, and states*. New York City: Oxford University Press.
- Auh, S., & Menguc, B. (2005). Top management team diversity and innovativeness: The moderating role of interfunctional coordination. *Industrial Marketing Management*, 34(3), 249-261.
- Baer, S., & Feiock, R. (2005). Private governments in urban areas political contracting and collective action. *The American Review of Public Administration*, 35(1), 42-56.
- Baliamoune-Lutz, M. (2005). *Institutions, social capital, and economic development in Africa: an empirical study*. Retrieved from IDEAS: <http://www.bibliocon.unito.it/biblioservizi/RePEc/icr/wp2005/ICERwp18-05.pdf>
- Barber, B. R. (2013). *If mayors ruled the world: Dysfunctional nations, rising cities*. New Haven: Yale University Press.
- Barney, J. (1986). Strategic factor markets: Expectations, luck, and business strategy. *Management Science*, 32(10), 1231-1241.
- Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Barney, J. (1995). Looking inside for competitive advantage. *The Academy of Management Executive*, 9(4), 49-61.
- Barney, J. (2005). Should strategic management research engage public policy debates? *Academy of Management Journal*, 48(6), 945-948.
- Barro, R. J., & Sala-i-Martin, X. (2004). *Economic Growth*. Cambridge, MA: MIT Press.
- Bathelt, H., & Karlsson, C. (2010). Knowledge-based clusters: Regional multiplier models and the role of 'buzz' and 'pipelines'. In C. Karlsson (Ed.), *Handbook of Research on Cluster Theory* (pp. 78-92). Cheltenham, UK: Edward Elgar Publishing.
- Begg, I. (2002). *Urban competitiveness: Policies for dynamic cities*. Bristol, UK: Policy Press.
- Berger, S. (2009). *The foundations of non-equilibrium economics. The principle of circular and cumulative causation*. London: Routledge.

- Binger, S. (2010). *Erfolgsfaktoren im Gründungsprozess von Business Improvement Districts: ein Überblick über den Forschungsstand und eine empirische Analyse von Gründungsprozessen deutscher BID-Initiativen*. Hamburg: Kovač.
- Binger, S., & Büttner, F. (2008). Erfolgsfaktoren bei der Gründung und Umsetzung von BIDs - Hamburger Erfahrungen mit Business Improvement Districts. *Raum Planung*, 138(139), 129-134.
- Binger, S., Büttner, F., & Schmidt, D. (2007). BIDs in Hamburg: Aktuelle Entwicklungen und Forschungsergebnisse. *Neues Verwaltungsmanagement*, 45(4), 1-40.
- Boddy, M., & Parkinson, M. (2004). *City matters: Studies in competitiveness, cohesion and urban governance*. Bristol, UK: Policy Press.
- Boschma, R. (2004). Competitiveness of regions from an evolutionary perspective. *Regional Studies*, 38(9), 1001-1014.
- Bourdieu, P. (1985). The social space and the genesis of groups. *Theory and Society*, 14(6), 723-744.
- Bourdieu, P. (1986). The forms of capital. In J. Richardson (Ed.), *Handbook of Theory and Research for the Sociology of Education* (pp. 241-258). Westport, CT: Greenwood.
- Boyne, G. A. (1998). Competitive tendering in local government: A review of theory and evidence. *Public Administration*, 76(4), 695-712.
- Brenner, N. (2004). *New state spaces: Urban governance and the rescaling of statehood*. Oxford: Oxford University Press.
- Bridge, G. (2006). Perspectives on cultural capital and the neighbourhood. *Urban Studies*, 43(4), 719-730.
- Briffault, R. (1999). A government for our time? Business improvement districts and urban governance. *Columbia Law Review*, 99(2), 365-477.
- Brinkerhoff, J. M. (2002). Government-nonprofit partnership: A defining framework. *Public Administration and Development*, 22(1), 19-30.
- Bristow, G. (2005). Everyone's a 'winner': problematising the discourse of regional competitiveness. *Journal of Economic Geography*, 5(3), 285-304.
- Bristow, G. (2010). *Critical reflections on regional competitiveness: Theory, policy, practice* (Vol. 31). Abingdon, UK: Routledge Studies in Human Geography.
- Brooks, L. (2008). Volunteering to be taxed: Business improvement districts and the extra-governmental provision of public safety. *Journal of Public Economics*, 92(1), 388-406.
- Brooks, L., & Strange, W. C. (2011). The micro-empirics of collective action: The case of business improvement districts. *Journal of Public Economics*, 95(11), 1358-1372.

- Brown, D. L., & Swanson, L. E. (2010). *Challenges for rural america in the twenty-first century*. University Park, PA: Pennsylvania State University Press.
- Bruno, R., Lanza, A., & Simone, G. (2016). Resource orchestration in the context of knowledge resources acquisition and divestment. The empirical evidence from the Italian "Serie A" Football. *European Management Journal*, 34(2), 1-40.
- Bryson, J. M., Crosby, B. C., & Stone, M. M. (2006). The design and implementation of cross-sector collaborations: Propositions from the literature. *Public Administration Review*, 66(1), 44-55.
- Bryson, J. M., Crosby, B. C., & Stone, M. M. (2015). Designing and implementing cross-sector collaborations: Needed and challenging. *Public Administration Review*, 75(5), 647-663.
- Budd, L., & Hirmis, A. (2004). Conceptual framework for regional competitiveness. *Regional Studies*, 38(9), 1015-1028.
- Burt, R. (1995). *Structural holes: The social structure of competition*. Cambridge: Harvard University Press.
- Burt, R. (1997). The contingent value of social capital. *Administrative Science Quarterly*, 42(2), 339-365.
- Burt, R. (2000). The network structure of social capital. *Research in Organizational Behavior*, 22(2000), 345-423.
- Burt, R. (2009). *Structural holes: The social structure of competition*. Cambridge: Harvard University Press.
- Büttner, F., Caesar, A.-C., & Schote, H. (2016). *10 Jahre Business Improvement Districts in Hamburg*. Retrieved from website of the City of Hamburg: <http://www.hamburg.de/contentblob/7947936/99b5ab4447db9fab2f9e9865459ea415/data/broschuere-10-jahre-bid-in-hamburg.pdf>
- Calanog, V. (2006). *Business Improvement Districts: Crime deterrence or displacement?* (Ph.D.), The Wharton School, University of Pennsylvania, Philadelphia.
- Camagni, R. (1995). The concept of innovative milieu and its relevance for public policies in European lagging regions. *Papers in Regional Science*, 74(4), 317-340.
- Camagni, R. (2002). On the concept of territorial competitiveness: sound or misleading? *Urban Studies*, 39(13), 2395-2411.
- Campbell, T. (2012). *Beyond smart cities: how cities network, learn and innovate*. New York: Earthscan.

- Caragliu, A., Del Bo, C., & Nijkamp, P. (2009). *Smart cities in Europe*. Paper presented at the 3rd Central European Conference in Regional Science, Bratislava.
- Carnes, C. M., & Ireland, R. D. (2013). Familiness and innovation: Resource bundling as the missing link. *Entrepreneurship Theory and Practice*, 37(6), 1399-1419.
- Carter, H. F. L. (2011). *Compelled to compete: Urban competitiveness in a small city*. Aalborg: akprint.
- Caruso, G., & Weber, R. (2006). Getting the max for the tax: An examination of BID performance measures. *International Journal of Public Administration*, 29(1-3), 187-219.
- Casey, T. (2004). Social capital and regional economies in Britain. *Political Studies*, 52(1), 96-117.
- Castrogiovanni, G. J. (1991). Environmental munificence: A theoretical assessment. *Academy of Management Review*, 16(3), 542-565.
- Cellino, R., & Soci, A. (2002). Pop competitiveness. *BNL Quarterly Review*, 55(220), 71-101.
- Chadwick, C., Super, J. F., & Kwon, K. (2015). Resource orchestration in practice: CEO emphasis on SHRM, commitment-based HR systems, and firm performance. *Strategic Management Journal*, 36(3), 360-376.
- Chirico, F., Sirmon, D., Sciascia, S., & Mazzola, P. (2011). Resource orchestration in family firms: Investigating how entrepreneurial orientation, generational involvement, and participative strategy affect performance. *Strategic Entrepreneurship Journal*, 5(4), 307-326.
- Clarke, A., & Fuller, M. (2010). Collaborative strategic management: strategy formulation and implementation by multi-organizational cross-sector social partnerships. *Journal of Business Ethics*, 94(1), 85-101.
- Cocchia, A. (2014). Smart and digital city: A systematic literature review. In R. P. Dameri & C. Rosenthal-Sabroux (Eds.), *Smart City: How to Create Public and Economic Value with High Technology in Urban Space* (pp. 13-43). New York City: Springer International Publishing.
- Cochrane, A. (2007). *Understanding urban policy: a critical approach*. Oxford, UK: Blackwell Publishing.
- Coff, R. W. (1999). When competitive advantage doesn't lead to performance: The resource-based view and stakeholder bargaining power. *Organization Science*, 10(2), 119-133.
- Coffé, H., & Geys, B. (2007). Toward an empirical characterization of bridging and bonding social capital. *Nonprofit and Voluntary Sector Quarterly*, 36(1), 121-139.

- Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: A new perspective on learning and innovation. *Administrative Science Quarterly*, 35(1), 128-152.
- Coleman, J. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, 94(1988), 95-120.
- Coleman, J. (1994). *Foundations of social theory*. Cambridge: Harvard University Press.
- Cook, I. R. (2010). Policing, partnerships, and profits: The operations of business improvement districts and town center management schemes in England. *Urban Geography*, 31(4), 453-478.
- Cooke, P., & Lazzeretti, L. (2008). *Creative cities, cultural clusters and local economic development*. Cheltenham, UK: Edward Elgar Publishing.
- Cooke, P., & Morgan, K. (1998). *The Associational Economy: Firms, Regions, and Innovation*. Oxford: Oxford University Press.
- Cooke, P., & Schienstock, G. (2000). Structural competitiveness and learning regions. *Enterprise and Innovation Management Studies*, 1(3), 265-280.
- Crook, T. R., Ketchen, D. J., Combs, J. G., & Todd, S. Y. (2008). Strategic resources and performance: a meta-analysis. *Strategic Management Journal*, 29(11), 1141-1154.
- Cruz, D. (2015). Business Beat – Bolstering the Once Sleepy BID in Kingsbridge, Internet. Retrieved from *Norwood News*:
<http://www.norwoodnews.org/id=16831&story=business-beat-bolstering-the-once-sleepy-bid-in-kingsbridge/>
- Cushing, R., Florida, R., & Gates, G. (2002). When social capital stifles innovation. *Harvard Business Review*, 80(8), 20.
- Dale, A., & Newman, L. (2010). Social capital: a necessary and sufficient condition for sustainable community development? *Community Development Journal*, 45(1), 5-21.
- Das, T. K., & Teng, B.-S. (2000). A resource-based theory of strategic alliances. *Journal of Management*, 26(1), 31-61.
- Davies, M. S. (1997). Business Improvement Districts. *Washington University Journal of Urban and Contemporary Law*, 52(1997), 187-225.
- Dawkins, C. J. (2003). Regional development theory: conceptual foundations, classic works, and recent developments. *Journal of Planning Literature*, 18(2), 131-172.
- Dekker, H. C. (2004). Control of inter-organizational relationships: evidence on appropriation concerns and coordination requirements. *Accounting, Organizations and Society*, 29(1), 27-49.

- Department of Small Business Services. (2003). *Starting a Business Improvement District: A step-by-step guide*. Retrieved from NYC Department of Small Business Services: http://www.nyc.gov/html/sbs/downloads/pdf/bid_guide_complete.pdf
- DeVol, R., Wallace, L., & Bedroussian, A. (2013). *Best performing cities 2012: Where America's jobs are created and sustained*. Washington, DC: Milken Institute.
- Diaz, R. J. (2015). *An analysis of the Kingsbridge/broadway retail corridor*. Retrieved from the Bronx Borough President Ruben Diaz Jr.: <http://bronxboropres.nyc.gov/pdf/kingsbridge-broadway-report-bxbp.pdf>
- Dierickx, I., & Cool, K. (1989). Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35(12), 1504-1511.
- DTI. (2007). *Regional competitiveness & state of the regions*. Retrieved from BIS Department for Business Innovation & Skills: <http://analysis.bis.gov.uk/sd/rci2007/rcsor2007-complete.pdf>
- Dyer, J. H., & Singh, H. (1998). The relational view: Cooperative strategy and sources of interorganizational competitive advantage. *Academy of Management Review*, 23(4), 660-679.
- Eick, V. (2012). The co-production of purified space: hybrid policing in German Business Improvement Districts. *European Urban and Regional Studies*, 19(2), 121-136.
- Eisenhardt, K. M. (1989a). Building theories from case study research. *Academy of Management Review*, 14(4), 532-550.
- Eisenhardt, K. M. (1989b). Making fast strategic decisions in high-velocity environments. *Academy of Management Journal*, 32(3), 543-576.
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25-32.
- Eisenhardt, K. M., Graebner, M. E., & Sonenshein, S. (2016). Grand challenges and inductive methods: Rigor without rigor mortis. *Academy of Management Journal*, 59(4), 1113-1123.
- Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10-11), 1105-1121.
- Ellen, I. G., Schwartz, A. E., Voicu, I., Brooks, L., & Hoyt, L. (2007). The impact of Business Improvement Districts on property values: Evidence from New York City [with Comments]. *Brookings-Wharton Papers on Urban Affairs*, 1-39.
- Ellison, G., & Glaeser, E. (1999). The geographic concentration of industry: does natural advantage explain agglomeration? *The American Economic Review*, 89(2), 311-316.

- EUREF-Campus. (2015). Die Herausforderung: Energiewende und Verkehr zusammen denken! Retrieved from Technical University Berlin: <http://mobility2grid.de/>
- European Commission. (2012). *European competitiveness report 2012. Reaping the benefits of globalization*. Retrieved from Archive of European Integration: <http://aei.pitt.edu/45449/>
- European Parliament. (2014). *Mapping Smart Cities in the EU*. Retrieved from European Parliament: [http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/507480/IPOL-ITRE_ET\(2014\)507480_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/etudes/join/2014/507480/IPOL-ITRE_ET(2014)507480_EN.pdf)
- Evans, M., & Syrett, S. (2007). Generating social capital? The social economy and local economic development. *European Urban and Regional Studies*, 14(1), 55-74.
- Evelly, J. (2012). Italian culture takes center stage at Bronx's Ferragosto festival sunday, Internet. Retrieved from *DNainfo*: <https://www.dnainfo.com/new-york/20120908/belmont/italian-culture-takes-center-stage-at-bronxs-ferragosto-festival-sunday>
- Ewoh, A. I., & Zimmerman, U. (2010). Public-private collaborations: The case of Atlanta Metro community improvement district alliance. *Public Performance & Management Review*, 33(3), 395-412.
- FAB Alliance. (2015). FAB Alliance Fulton Street Vision Plan. Retrieved from BID website: <http://faballiance.org/news/vision-plan-online>
- Feldman, M., & Martin, R. (2005). Constructing jurisdictional advantage. *Research Policy*, 34(8), 1235-1249.
- Flanagan, K., Uyarra, E., & Laranja, M. (2011). Reconceptualising the 'policy mix' for innovation. *Research Policy*, 40(5), 702-713.
- Florida, R. (2002). *The rise of the creative class and how it's transforming work, leisure, community and everyday life*. New York City: Basic Books.
- Florida, R. (2005). *The flight of the creative class: the new global competition for talent*. New York: Harper Collins.
- Florida, R. (2010). *The flight of the creative class: The new global competition for talent*. New York: Harper Collins.
- Florida, R. (2012). *The Rise of the Creative Class: Revisited*. New York: Basic books.
- Florida, R., & Mellander, C. (2016). Rise of the startup city. *California Management Review*, 59(1), 14-38.
- Folke, C., Hahn, T., Olsson, P., & Norberg, J. (2005). Adaptive governance of social-ecological systems. *Annual Review of Environment and Resources*, 30, 441-473.

- Forrest, R., & Kearns, A. (2001). Social cohesion, social capital and the neighbourhood. *Urban Studies*, 38(12), 2125-2143.
- Foss, N. (1996). Higher-order industrial capabilities and competitive advantage. *Journal of Industry Studies*, 3(1), 1-20.
- Foss, N. (1999). Networks, capabilities, and competitive advantage. *Scandinavian Journal of Management*, 15(1), 1-15.
- Foss, N., & Eriksen, B. (1995). Competitive advantage and industry capabilities. In C. Montgomery (Ed.), *Resource-based and evolutionary theories of the firm: Towards a synthesis* (pp. 43-69). New York City: Springer.
- Gardet, E., & Mothe, C. (2011). The dynamics of coordination in innovation networks. *European Management Review*, 8(4), 213-229.
- Gardiner, B., Martin, R., & Tyler, P. (2004). HEAD. *Regional Studies*, 38(9), 1045-1067.
- Garnett, N. (2010). Governing? Gentrifying? Seceding? Real-time answers to questions about business improvement districts. *Drexel Law Review*, 3(1), 49-70.
- Garodnick, D. R. (2000). What's the BID deal? Can the grand central business improvement district serve a special limited purpose? *University of Pennsylvania Law Review*, 148(5), 1733-1770.
- George, G., Howard-Grenville, J., Joshi, A., & Tihanyi, L. (2016). Understanding and tackling societal grand challenges through management research. *Academy of Management Journal*, 59(6), 1880-1895.
- Giffinger, R., Fertner, C., Kramar, H., Kalasek, R., Pichler-Milanovic, N., & Meijers, E. (2007). *Smart cities ranking of European medium-sized cities*. Retrieved from Vienna University of Technology: http://www.smartcity-ranking.eu/download/city_ranking_final.pdf
- Gilbert, C. G. (2005). Unbundling the structure of inertia: Resource versus routine rigidity. *Academy of Management Journal*, 48(5), 741-763.
- Glaeser, E. (2007). *Entrepreneurship and the City*. Retrieved from National Bureau of Economic Research: <http://www.nber.org/papers/w13551.pdf>
- Glaeser, E. (2011). *Triumph of the City: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier*. New York City: Penguin Publishing Group.
- Glaser, B., & Strauss, A. (1967). *The discovery grounded theory: Strategies for qualitative research*. Chicago: Aldine Publishing.

- Gordon, J. R. M., Lee, P.-M., & Lucas Jr, H. C. (2005). A resource-based view of competitive advantage at the Port of Singapore. *The Journal of Strategic Information Systems*, 14(1), 69-86.
- Grabher, G. (1993). The weakness of strong ties; the lock-in of regional development in the Ruhr area. In G. Grabher (Ed.), *The embedded firm. On the socioeconomics of industrial networks* (pp. 255-277). London: Routledge.
- Grand Street BID. (2015). Grand Street BID 2015 Annual Report. Retrieved from BID website: <http://grandstbklyn.com/wordpress/wp-content/uploads/2012/05/FY-2015-Annual-Report.pdf>
- Granovetter, M. S. (1973). The strength of weak ties. *American Journal of Sociology*, 1360-1380.
- Greenblatt, A. (2006). Downtown renaissance: are center cities finally returning to health. *Congressional Quarterly Researcher*, 16(24), 553-576.
- Greene, F. J., Tracey, P., & Cowling, M. (2007). Recasting the city into city-regions: Place promotion, competitiveness benchmarking and the quest for urban supremacy. *Growth and Change*, 38(1), 1-22.
- Grodach, C., & Ehrenfeucht, R. (2016). *Urban Revitalization: Remaking Cities in a Changing World*. New York City: Taylor & Francis.
- Gross, J. S. (2005). Business improvement districts in New York City's low-income and high-income neighborhoods. *Economic Development Quarterly*, 19(2), 174-189.
- Gross, J. S. (2010). Aramingo Avenue Shopping District: Stakeholder's Bridge or Border Divide? *Drexel Law Review*, 3(1), 171.
- Gross, J. S. (2013). Business improvement districts in New York: the private sector in public service or the public sector privatized? *Urban Research & Practice*, 6(3), 346-364.
- Grossman, G., & Helpman, E. (1994). Endogenous innovation in the theory of growth. *The Journal of Economic Perspectives*, 8(1), 23-44.
- Grossman, S. (2008). The case of business improvement districts: Special district public-private cooperation in community revitalization. *Public Performance & Management Review*, 32(2), 290-308.
- Grossman, S. (2012). The management and measurement of public-private partnerships: Toward an integral and balanced approach. *Public Performance & Management Review*, 35(4), 595-616.
- Gulati, R. (1995). Does familiarity breed trust? The implications of repeated ties for contractual choice in alliances. *Academy of Management Journal*, 38(1), 85-112.

- Gulati, R., Nohria, N., & Zaheer, A. (2000). Strategic networks. *Strategic Management Journal*, 203-215.
- Gulati, R., Wohlgezogen, F., & Zhelyazkov, P. (2012). The two facets of collaboration: Cooperation and coordination in strategic alliances. *Academy of Management Annals*, 6(1), 531-583.
- Gupta, A. K., & Govindarajan, V. (1984). Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation. *Academy of Management Journal*, 27(1), 25-41.
- Haller, V. (2013). Westchester Square, the Bronx: Stay Awhile, Internet. Retrieved from *New York Times*: http://www.nytimes.com/2013/12/01/realestate/westchester-square-the-bronx-stay-awhile.html?_r=0
- Hanna, N. R., Qiang, C. Z.-W., Kimura, K., & Kuek, S. (2009). National e-government institutions: Functions, models, and trends. In World Bank Development Data Group (Ed.), *2009 Information and Communications for Development: Extending Reach and Increasing Impact* (pp. 83-102). Washington, DC: World Bank Publications.
- Hansen, M. T. (1999). The search-transfer problem: The role of weak ties in sharing knowledge across organization subunits. *Administrative Science Quarterly*, 44(1), 82-111.
- Harmaakorpi, V. (2006). Regional Development Platform Method (RDPM) as a tool for regional innovation policy. *European Planning Studies*, 14(8), 1085-1104.
- Harmaakorpi, V., & Melkas, H. (2005). Knowledge management in regional innovation networks: The case of Lahti, Finland. *European Planning Studies*, 13(5), 641-659.
- Harmaakorpi, V., & Niukkanen, H. (2007). Leadership in different kinds of regional development networks. *Baltic Journal of Management*, 2(1), 80-96.
- Harris, R. G. (2001). The knowledge-based economy: intellectual origins and new economic perspectives. *International Journal of Management Reviews*, 3(1), 21-40.
- Harrison, B., Kelley, M. R., & Gant, J. (1996). Innovative firm behavior and local milieu: exploring the intersection of agglomeration, firm effects, and technological change. *Economic Geography*, 72(3), 233-258.
- Hassink, R. (2005). How to unlock regional economies from path dependency? From learning region to learning cluster. *European Planning Studies*, 13(4), 521-535.
- Hatch, D. (2013). Singapore strives to become 'The Smartest City'. Retrieved from *Governing - The States and Localities*: <http://www.governing.com/topics/transportation-infrastructure/gov-singapore-smartest-city.html>

- Haughton, G., & While, A. (1999). From corporate city to citizens city? Urban leadership after local entrepreneurialism in the United Kingdom. *Urban Affairs Review*, 35(1), 3-23.
- Hauser, C., Tappeiner, G., & Walde, J. (2007). The learning region: The impact of social capital and weak ties on innovation. *Regional Studies*, 41(1), 75-88.
- Helfat, C., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D., & Winter, S. (2009). *Dynamic capabilities: Understanding strategic change in organizations*. Oxford, UK: Blackwell Publishing.
- Helfat, C., & Peteraf, M. (2009). Understanding dynamic capabilities: progress along a developmental path. *Strategic Organization*, 7(1), 91-102.
- Hernandez, T., & Jones, K. (2005). Downtowns in transition: Emerging business improvement area strategies. *International Journal of Retail & Distribution Management*, 33(11), 789-805.
- Hitt, M., Ireland, D., Sirmon, D., & Trahms, C. (2011). Strategic entrepreneurship: Creating value for individuals, organizations, and society. *Academy of Management Perspectives*, 25(2), 57-75.
- Hitt, M., Lee, H.-U., & Yucel, E. (2002). The importance of social capital to the management of multinational enterprises: Relational networks among Asian and Western firms. *Asia Pacific Journal of Management*, 19(2-3), 353-372.
- Hochleutner, B. (2003). BIDs fare well: The democratic accountability of business improvement districts. *New York University Law Review*, 78(1), 374.
- Hogg, S., Medway, D., & Warnaby, G. (2004). Town centre management schemes in the UK: marketing and performance indicators. *International Journal of Nonprofit and Voluntary Sector Marketing*, 9(4), 309-319.
- Holcomb, T. R., Holmes Jr, R. M., & Connelly, B. L. (2009). Making the most of what you have: Managerial ability as a source of resource value creation. *Strategic Management Journal*, 30(5), 457-485.
- Hoopes, D. G., Madsen, T. L., & Walker, G. (2003). Guest editors' introduction to the special issue: why is there a resource-based view? Toward a theory of competitive heterogeneity. *Strategic Management Journal*, 24(10), 889-902.
- Hoover, E. (1937). *Location theory and the shoe leather industries*. Cambridge, MA: Harvard University Press.
- Hoover, E. (1948). *The location of economic activity*. New York City: McGraw-Hill.

- Houston, L. O. (2003). *Business Improvement Districts* (2nd ed.). Washington, DC: Urban Land Institute.
- Hoyt, L. (2003). *The business improvement district: An internationally diffused approach to revitalization*. Retrieved from the author's website: http://www.lorlenehoyt.com/yahoo_site_admin/assets/docs/Hoyt_IDA.325174429.pdf
- Hoyt, L. (2005a). Do business improvement district organizations make a difference? Crime in and around commercial areas in Philadelphia. *Journal of Planning Education and Research*, 25(2), 185-199.
- Hoyt, L. (2005b). Planning through compulsory commercial clubs: business improvement districts. *Economic Affairs*, 25(4), 24-27.
- Hoyt, L., & Gopal-Agge, D. (2007). The business improvement district model: A balanced review of contemporary debates. *Geography Compass*, 1(4), 946-958.
- Huggins, R. (2003). Creating a UK Competitiveness Index: Regional and Local Benchmarking. *Regional Studies*, 37(1), 89-96.
- Huggins, R., Izushi, H., & Thompson, P. (2013). Regional competitiveness: theories and methodologies for empirical analysis. *JCC: The Business and Economics Research Journal*, 6(2), 155-172.
- Huggins, R., & Thompson, P. (2017). *Handbook of Regions and Competitiveness: Contemporary Theories and Perspectives on Economic Development*. Cheltenham, UK: Edward Elgar Publishing.
- Hughes, O. (2006). *The New Pragmatism: Moving beyond the Debate over NPM*. Paper presented at the 10th Annual Research Symposium on Public Management, Glasgow Caledonian University, Scotland.
- International Downtown Association. (2017). Inspired Leaders Shaping Cities. Retrieved from IDA website: <https://www.ida-downtown.org/eweb/>
- Ireland, R. D., & Webb, J. W. (2009). International Entrepreneurship in Emerging Economies. In A. Cooper, S. Alvarez, A. Carrera, L. Mesquita, & R. Vassolo (Eds.), *Entrepreneurial Strategies: New Technologies in Emerging Markets* (pp. 47-70). Oxford, UK: Wiley.
- Jacobs, J. (1961). *The death and life of great American cities*. New York: Random House LLC.
- Jacobs, J. (1968). *The economy of cities*. London: Weidenfeld.
- Jiang, Y., & Shen, J. (2013). Weighting for what? A comparison of two weighting methods for measuring urban competitiveness. *Habitat International*, 38(0), 167-174.

- Johnson, B. (2008). Cities, systems of innovation and economic development. *Innovation: Management, Policy & Practice*, 10(2/3), 146-155.
- Jones, P., Hillier, D., & Comfort, D. (2003). Business improvement districts in town and city centres in the UK. *Management Research News*, 26(8), 50-59.
- Jones, R., & Noble, G. (2008). Managing the implementation of public-private partnerships. *Public Money and Management*, 28(2), 109-114.
- Justice, J., & Goldsmith, R. (2008). Private governments or public policy tools? The law and public policy of New Jersey's special improvement districts. *International Journal of Public Administration*, 29(1-3), 107-136.
- Justice, J., & Skelcher, C. (2009). Analysing democracy in third-party government: Business improvement districts in the US and UK. *International Journal of Urban and Regional Research*, 33(3), 738-753.
- Kallio, A., Harmaakorpi, V., & Pihkala, T. (2009). Absorptive capacity and social capital in regional innovation systems: the case of the Lahti region in Finland. *Urban Studies*, 47(2), 303-319.
- Kastalli, I. V., & Neely, A. (2012). *Collaborate to innovate. How business ecosystems unleash business value*. Retrieved from Institute for Manufacturing, University of Cambridge: http://www.ifm.eng.cam.ac.uk/uploads/Resources/Collaborate_to_Innovate_-_ecosystems_-_final.pdf
- Kay, J. A. (1995). *Why firms succeed*. Oxford: Oxford University Press.
- Khanna, P. (2010). Beyond city limits: The age of nations is over. The new urban era has begun. Retrieved from *Foreign Policy*: <http://foreignpolicy.com/2010/08/06/beyond-city-limits/>
- Kitchin, R. (2015). Making sense of smart cities: addressing present shortcomings. *Cambridge Journal of Regions, Economy and Society*, 8(1), 131-136.
- Kitson, M., Martin, R., & Tyler, P. (2004). Regional Competitiveness: An Elusive yet Key Concept? *Regional Studies*, 38(9), 991-999.
- Kivleniece, I., & Quelin, B. V. (2012). Creating and Capturing Value in Public-Private Ties: A Private Actor's Perspective. *Academy of Management Review*, 37(2), 272-299.
- Klebba, J., Garrett, M., Radle, A., Downes, B. (2001). Downtown Redevelopment in Selected Oregon Coastal Communities: Some Lessons from Practice. In M. A. Burayidi (Ed.), *Downtowns: Revitalizing the Centers of Small Urban Communities*. New York: Routledge.

Klein, P. G., Mahoney, J. T., McGahan, A. M., & Pitelis, C. N. (2013). Capabilities and strategic entrepreneurship in public organizations. *Strategic Entrepreneurship Journal*, 7(1), 70-91.

Kleinhans, R., Priemus, H., & Engbersen, G. (2007). Understanding social capital in recently restructured urban neighbourhoods: two case studies in Rotterdam. *Urban Studies*, 44(5-6), 1069-1091.

Klijn, E.-H., & Teisman, G. R. (2003). Institutional and strategic barriers to public-private partnership: An analysis of Dutch cases. *Public Money and Management*, 23(3), 137-146.

Knudsen, B. B., Florida, R., & Rousseau, D. (2005). *Bridging and bonding: A multi-dimensional approach to regional social capital*. Toronto, CA: Martin Prosperity Institute.

Koka, B. R., & Prescott, J. E. (2002). Strategic alliances as social capital: A multidimensional view. *Strategic Management Journal*, 23(9), 795-816.

Kraaijenbrink, J., Spender, J.-C., & Groen, A. J. (2010). The resource-based view: A review and assessment of its critiques. *Journal of Management*, 36(1), 349-372.

Kresl, P. (1995). The determinants of urban competitiveness: a survey. In P. K. Kresl & G. Gappert (Eds.), *North American cities and the global economy: Challenges and opportunities* (pp. 45-68). Thousand Oaks, CA: Sage Publications.

Kresl, P. (2007). *Planning cities for the future: The successes and failures of urban economic strategies in Europe*. Cheltenham, UK: Edward Elgar Publishing.

Kresl, P. (2013). Empirical approaches to urban competitiveness analysis. In P. K. Kresl & J. Sobrino (Eds.), *Handbook of Research Methods and Applications in Urban Economies* (pp. 32-59). Cheltenham, UK: Edward Elgar Publishing.

Kresl, P., & Ietri, D. (2012). *European Cities and Global Competitiveness: Strategies for Improving Performance*. Cheltenham, UK: Edward Elgar Publishing.

Kresl, P., & Singh, B. (1999). Competitiveness and the urban economy: twenty-four large US metropolitan areas. *Urban Studies*, 36(5-6), 1017-1028.

Kresl, P., & Sobrino, J. (2013). *Handbook of Research Methods and Applications in Urban Economies*. Cheltenham: Edward Elgar Publishing.

Kreutz, S. (2010). *Transnational. Assessment of. Practice. Case study report: The BID experience in Hamburg*. Retrieved from The North Sea Region Programme 2007-2013:

[http://archive.northsearegion.eu/files/repository/20121218182305_The-Business-Improvement-District-Hamburg-Germany\[1\].pdf](http://archive.northsearegion.eu/files/repository/20121218182305_The-Business-Improvement-District-Hamburg-Germany[1].pdf)

- Krugman, P. (1993). On the number and location of cities. *European Economic Review*, 37(2-3), 293-298.
- Krugman, P. (1994). Competitiveness: a dangerous obsession. *Foreign Affairs*, 73(2), 28-44.
- Krugman, P. (1996). Making sense of the competitiveness debate. *Oxford Review of Economic Policy*, 12(3), 17-25.
- Krugman, P. (1998). What's new about the new economic geography? *Oxford Review of Economic Policy*, 14(2), 7-17.
- Krugman, P. (2005). Second winds for industrial regions. In D. Coyle, W. Alexander, & B. Ashcroft (Eds.), *New wealth for old nations: Scotland's economic prospects* (pp. 35-47). Princeton: Princeton University Press.
- Landry, C. (2012). *The creative city: A toolkit for urban innovators*. London: Earthscan.
- Lavery, K. (1995). Privatization by the back door: The rise of private government in the USA. *Public Money & Management*, 15(4), 49-53.
- Lavie, D. (2006). The competitive advantage of interconnected firms: An extension of the resource-based view. *Academy of Management Review*, 31(3), 638-658.
- Lee, T. W., Mitchell, T. R., & Sablinski, C. J. (1999). Qualitative research in organizational and vocational psychology, 1979–1999. *Journal of Vocational Behavior*, 55(2), 161-187.
- Leonard, R., & Onyx, J. (2004). *Social capital & community building: Spinning straw into gold*. Cambridge: Janus Publishing Company.
- Lever, W. F., & Turok, I. (1999). Competitive cities: Introduction to the review. *Urban Studies*, 36(5-6), 791-793.
- Lewis, N. M. (2010). Grappling with governance: The emergence of business improvement districts in a national capital. *Urban Affairs Review*, 46(2), 180-217.
- Lin, N., Cook, K. S., & Burt, R. S. (2001). *Social capital: Theory and research*. Piscataway: Transaction Publishers.
- Lindblom, C. E. (1959). The science of "muddling through". *Public Administration Review*, 19(2), 79-88.
- Lombardi, P., Giordano, S., Farouh, H., & Yousef, W. (2012). Modelling the smart city performance. *Innovation: The European Journal of Social Science Research*, 25(2), 137-149.
- Loukaitou-Sideris, A., Blumenberg, E., & Ehrenfeucht, R. (2004). Sidewalk democracy: municipalities and the regulation of public space. In E. Ben-Joseph & T. Szold (Eds.), *Regulating place*. New York City: Routledge.

- Lovas, B., & Ghoshal, S. (2000). Strategy as guided evolution. *Strategic Management Journal*, 21(9), 875-896.
- Lowndes, V., & Wilson, D. (2001). Social capital and local governance: exploring the institutional design variable. *Political Studies*, 49(4), 629-647.
- Lucas, R. E. (2001). Externalities and cities. *Review of Economic Dynamics*, 4(2), 245-274.
- MacDonald, J., Golinelli, D., Stokes, R., & Bluthenthal, R. (2010). The effect of business improvement districts on the incidence of violent crimes. *Injury Prevention*, 16(5), 327-332.
- MacDonald, J., Stokes, R., & Bluthenthal, R. (2010). The role of community context in business district revitalization strategies: Business Improvement Districts in Los Angeles. *Public Performance & Management Review*, 33(3), 436-458.
- Makadok, R. (2001). Toward a synthesis of the resource-based and dynamic-capability views of rent creation. *Strategic Management Journal*, 22(5), 387-401.
- Malecki, E. (2002). Hard and soft networks for urban competitiveness. *Urban Studies*, 39(5-6), 929-945.
- Malecki, E. (2004). Jockeying for position: what it means and why it matters to regional development policy when places compete. *Regional Studies*, 38(9), 1101-1120.
- Maloney, W., Smith, G., & Stoker, G. (2000). Social capital and urban governance: adding a more contextualized 'top-down' perspective. *Political Studies*, 48(4), 802-820.
- Markard, J., & Worch, H. (2009). *Technological innovation systems and the resource based view-Resources at the firm, network and system level*. Paper presented at the DIME Workshop on Environmental Innovation, Industrial Dynamics and Entrepreneurship, Utrecht.
- Marques, R. C., & Berg, S. (2011). Public-private partnership contracts: A tale of two cities with different contractual arrangements. *Public Administration*, 89(4), 1585-1603.
- Marshall, A. (1890). *Principles of Economics*. London: MacMillan.
- Martin, R. (2003). *A study on the factors of regional competitiveness*. Retrieved from European Commission:
http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/3cr/competitiveness.pdf
- Martin, R. (2005). *Thinking about regional competitiveness: critical issues*. Retrieved from Nottingham Trent University's Institutional Repository:
http://irep.ntu.ac.uk/id/eprint/519/1/202832_thinkingaboutregionalcompetitiveness2005.pdf

- Martin, R. (2006). Economic geography and the new discourse of regional competitiveness. In S. Bagchi-Sen & H. Lawton-Smith (Eds.), *Economic Geography: Past, Present and Future* (pp. 159-172). London: Routledge.
- Martin, R. (2011). Regional competitiveness: From endowments to externalities to evolution. In P. Cooke, B. Asheim, R. Boschma, R. Martin, D. Schwartz, & F. Tödtling (Eds.), *Handbook of Regional Innovation and Growth* (pp. 234-245). Cheltenham, UK: Edward Elgar.
- Martin, R. (2015). Rebalancing the spatial economy: The challenge for regional theory. *Territory, Politics, Governance*, 3(3), 235-272.
- Martin, R., & Simmie, J. (2008a). Path dependence and local innovation systems in city-regions. *Innovation: Management, Policy & Practice*, 10(2-3), 183-196.
- Martin, R., & Simmie, J. (2008b). The theoretical bases of urban competitiveness: Does proximity matter? *Revue d'Économie Régionale & Urbaine*(3), 333-351.
- Martin, R., & Sunley, P. (1998). Slow convergence? The new endogenous growth theory and regional development. *Economic Geography*, 74(3), 201-227.
- Martin, R., & Sunley, P. (2003). Deconstructing clusters: chaotic concept or policy panacea? *Journal of Economic Geography*, 3(1), 5-35.
- Martin, R., & Sunley, P. (2006). Path dependence and regional economic evolution. *Journal of Economic Geography*, 6(4), 395-437.
- Maskell, P., & Malmberg, A. (1999). The competitiveness of firms and regions: 'Ubiquitification' and the importance of localized learning. *European Urban and Regional Studies*, 6(1), 9-25.
- Maurer, I., & Ebers, M. (2006). Dynamics of social capital and their performance implications: Lessons from biotechnology start-ups. *Administrative Science Quarterly*, 51(2), 262-292.
- McCann, E. (2011). Urban policy mobilities and global circuits of knowledge: Toward a research agenda. *Annals of the Association of American Geographers*, 101(1), 107-130.
- McCann, E., & Ward, K. (2011). *Mobile urbanism: Cities and policymaking in the global age*. Minneapolis: University of Minnesota Press.
- McCann, P. (2001). *Urban and regional economics*. Oxford: Oxford University Press.
- McGahan, A. M. (2004). How industries change. *Harvard Business Review*, 82(10), 86-94, 156.

- McKinsey & Company. (2013). *Infrastructure productivity: How to save \$1 trillion a year*. Retrieved from McKinsey & Company: <http://www.mckinsey.com/industries/capital-projects-and-infrastructure/our-insights/infrastructure-productivity>
- Meek, J. W., & Hubler, P. (2006). Business improvement districts in Southern California: Implications for local governance. *Intl Journal of Public Administration*, 29(1-3), 31-52.
- Michel, B., & Stein, C. (2014). Reclaiming the European city and lobbying for privilege: Business Improvement Districts in Germany. *Urban Affairs Review*, 51(1), 74-98.
- Miller, K. D., & Tsang, E. W. (2011). Testing management theories: Critical realist philosophy and research methods. *Strategic Management Journal*, 32(2), 139-158.
- Mitchell, J. (1999). *Business improvement districts and innovative service delivery*. Retrieved from Pricewaterhouse Coopers <http://www.endowment.pwcglobal.com/pdfs/Mitchell.pdf>
- Mitchell, J. (2001). Business improvement districts and the “new” revitalization of downtown. *Economic Development Quarterly*, 15(2), 115-123.
- Mitchell, J. (2008). *Business improvement districts and the shape of American cities*. New York City: SUNY Press.
- Moore, J. F. (2006). Business ecosystems and the view from the firm. *Antitrust Bulletin*, 51(1), 31-75.
- Morçöl, G., & Gautsch, D. (2013). Institutionalization of business improvement districts: A longitudinal study of the state laws in the United States. *Public Administration Quarterly*, 37(2), 240-279.
- Morçöl, G., & Patrick, P. (2006). Business improvement districts in Pennsylvania: Implications for democratic metropolitan governance. *International Journal of Public Administration*, 29(1-3), 137-171.
- Morçöl, G., Vasavada, T., & Kim, S. (2014). Business improvement districts in urban governance: A longitudinal case study. *Administration & Society*, 46(7), 796-824.
- Morçöl, G., & Wolf, J. (2010). Understanding business improvement districts: A new governance framework. *Public Administration Review*, 70(6), 906-913.
- Morçöl, G., & Zimmermann, U. (2006). Metropolitan governance and business improvement districts. *Intl Journal of Public Administration*, 29(1-3), 5-29.
- Moretti, E. (2004). Human capital externalities in cities. In J. Henderson & J.-F. Thisse (Eds.), *Handbook of Regional and Urban Economics* (Vol. 4, pp. 2243-2291). Amsterdam: Elsevier.

Morris, Z. (2014). Champion of Myrtle Ave Revitalization Org, Michael Blaise Backer, Announces Departure, Internet. Retrieved from *Brooklyn Reader*:
<http://www.bkreader.com/2014/03/champion-of-myrtle-ave-michael-blaise-backer-announces-departure-from-marp/>

Morschett, D., Schramm-Klein, H., & Zentes, J. (2015). Formal and informal coordination mechanisms. In D. Morschett, H. Schramm-Klein, & J. Zentes (Eds.), *Strategic International Management* (pp. 229-249). Wiesbaden: Springer.

Musterd, S., & Kovács, Z. (2013). *Place-making and policies for competitive cities*. Chichester, UK: John Wiley & Sons.

Nahapiet, J. (2007). The role of social capital in inter-organizational relationships. In S. Cropper, M. Ebers, C. Huxham, & P. S. Ring (Eds.), *Inter-organizational relations* (pp. 580-606). Oxford: Oxford University Press.

Nahapiet, J., & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23(2), 242-266.

Nam, T., & Pardo, T. A. (2011). *Conceptualizing smart city with dimensions of technology, people, and institutions*. Paper presented at the 12th Annual International Digital Government Research Conference, Washington, DC.

Ndofor, H. A., Sirmon, D., & He, X. (2011). Firm resources, competitive actions and performance: investigating a mediated model with evidence from the in-vitro diagnostics industry. *Strategic Management Journal*, 32(6), 640-657.

Neirotti, P., De Marco, A., Cagliano, A. C., Mangano, G., & Scorrano, F. (2014). Current trends in Smart City initiatives: Some stylised facts. *Cities*, 38, 25-36.

Newman, L., & Dale, A. (2005). The role of agency in sustainable local community development. *Local Environment*, 10(5), 477-486.

Ni, P. (2012). *The Global Urban Competitiveness Report - 2011*. Cheltenham, UK: Edward Elgar Publishing.

Nonaka, I., & Takeuchi, H. (1995). *The knowledge-creating company: How Japanese companies create the dynamics of innovation*. New York: Oxford University Press.

Nonaka, I., & Teece, D. (2001). Introduction *Managing Industrial Knowledge: Creation, Transfer and Utilization*. Berkeley: SAGE Publications.

Nooteboom, B. (2007). Social capital, institutions and trust. *Review of Social Economy*, 65(1), 29-53.

- OECD. (2006). *OECD territorial reviews: Competitive cities in the global economy*. Retrieved from OECD website: <http://www.oecd.org/cfe/regional-policy/oecdterritorialreviewscompetitivecitiesintheglobaleconomy.htm>
- OECD. (2007). *OECD territorial reviews: Competitive cities - A new entrepreneurial paradigm in spatial development*. Retrieved from OECD website: <http://www.oecd.org/cfe/regional-policy/competitivecitiesanewentrepreneurialparadigminspatialdevelopment.htm>
- OECD. (2013a). *Capital budgeting and procurement practices*. Retrieved from OECD website: <http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/SBO%282013%292&doclanguage=en>
- OECD. (2013b). *The economic crisis and recovery in OECD regions and cities*. Retrieved from OECD website: <https://www.oecd.org/regional/ministerial/Monitoring-the-Crisis.pdf>
- Okhuysen, G., & Bonardi, J.-P. (2011). The challenges of building theory by combining lenses. *Academy of Management Review*, 36(1), 6-11.
- Olles, R. (2011). Brooklyn's Myrtle Avenue makes the grade - Pratt Institute's president helps to school Clinton Hill on art of community revitalization. Retrieved from *Crain's New York Business*: http://www.crainsnewyork.com/article/20111127/REAL_ESTATE/311279979/brooklyns-myrtle-avenue-makes-the-grade
- Onyx, J., & Bullen, P. (2000). Measuring social capital in five communities. *The Journal of Applied Behavioral Science*, 36(1), 23-42.
- Ostrom, E. (1999). Coping with Tragedies of the Commons. *Annual Review of Political Science*, 2(1), 493.
- Paquet, G. (1997). States, communities and markets: The distributed governance scenario *The new geo-governance: A baroque approach* (pp. 39-52). Ottawa: University of Ottawa Press.
- Park Slope 5th Ave BID. (2015). A Taste of Fifth 2015. Retrieved from BID website: <http://parkslopefifthavenuebid.com/events/taste2015>
- Peach, J. (2015). Imitate to innovate: Vitoria-Gasteiz shows how cities can address 21st century challenges. Retrieved from Smart Cities DIVE: <http://www.smartcitiesdive.com/ex/sustainablecitiescollective/imitate-innovate-vitoria-gasteiz-shows-how-cities-can-address-21st-century-challeng/1090992/>

- Peck, J. (2004). Geography and public policy: constructions of neoliberalism. *Progress in Human Geography*, 28(3), 392-405.
- Peck, J., & Tickell, A. (2002). Neoliberalizing space. *Antipode*, 34(3), 380-404.
- Peck, J., & Tickell, A. (2007). Conceptualizing neoliberalism, thinking Thatcherism. In H. Leitner, J. Peck, & E. S. Sheppard (Eds.), *Contesting neoliberalism: Urban frontiers* (pp. 26-50). New York City: Guilford Press.
- Penrose, E. (1959). *The theory of the growth of the firm*. Oxford: Oxford University Press.
- Perry, D. C., & Watkins, A. J. (1977). People profit and the rise of the sunbelt cities. *Urban Affairs Annual Reviews*(14), 277-305.
- Peteraf, M. A. (1993). The cornerstones of competitive advantage: a resource-based view. *Strategic management journal*, 14(3), 179-191.
- Peuscher, D. (2016). *The resource orchestration theory as contributor to supply chain management: An assessment on its applicability*. (Bachelor thesis), University of Twente, Twente.
- Peyroux, E. (2006). City Improvement Districts (CIDs) in Johannesburg: Assessing the political and socio-spatial implications of private-led urban regeneration. *Dialog*, 2, 9-14.
- Peyroux, E. (2012). Legitimizing business improvement districts in Johannesburg: A discursive perspective on urban regeneration and policy transfer. *European Urban and Regional Studies*, 19(2), 181-194.
- Peyroux, E., Pütz, R., & Glasze, G. (2012). Business Improvement Districts (BIDs): the internationalization and contextualization of a 'travelling concept'. *European Urban and Regional Studies*, 19(2), 111-120.
- Pihkala, T., Harmaakorpi, V., & Pekkarinen, S. (2007). The role of dynamic capabilities and social capital in breaking socio-institutional inertia in regional development. *International Journal of Urban and Regional Research*, 31(4), 836-852.
- Planque, B. (2002). *Reflections on innovation networks: contractual vs. "conventional" networks*. Paper presented at the ERSA conference, Dortmund, Germany.
- Poppo, L., & Zenger, T. (2002). Do formal contracts and relational governance function as substitutes or complements? *Strategic Management Journal*, 23(8), 707-725.
- Porter, M. (1985). *Competitive advantage creating and sustaining superior performance*. New York City, NY: Free Press.
- Porter, M. (1990). *The competitive advantage of nations*. New York, NY: Free Press.

- Porter, M. (1995). The competitive advantage of the inner City. *Harvard Business Review*, 73(3), 55-71.
- Porter, M. (1996). What is strategy? *Harvard Business Review*, 74(6), 61-78.
- Porter, M. (1997). New strategies for inner-city economic development. *Economic Development Quarterly*, 11(1), 11-27.
- Porter, M. (1998). Clusters and the new economics of competition. *Harvard Business Review*, 76(6), 77-90.
- Porter, M. (2000). Location, competition, and economic development: Local clusters in a global economy. *Economic Development Quarterly*, 14(1), 15-34.
- Porter, M. (2003). The economic performance of regions. *Regional Studies*, 37(6-7), 545-546.
- Porter, M., & Rivkin, J. (1998). Activity Systems as Barriers to Imitation. *Harvard Business School Working Paper*, 98(066).
- Porter, M., & Siggelkow, N. (2008). Contextuality within activity systems and sustainability of competitive advantage. *The Academy of Management Perspectives*, 22(2), 34-56.
- Portes, A. (1998). Social capital: Its origins and applications in modern sociology. *Annual Review of Sociology*, 24, 1-24.
- Portes, A., & Landolt, P. (2000). Social capital: promise and pitfalls of its role in development. *Journal of Latin American Studies*, 32(02), 529-547.
- Potapchuk, W. R., & Crocker Jr, J. P. (1999). Exploring the Elements of Civic Capital. *National Civic Review*, 88(3), 175-202.
- Powell, W. W., Koput, K. W., & Smith-Doerr, L. (1996). Interorganizational collaboration and the locus of innovation: Networks of learning in biotechnology. *Administrative Science Quarterly*, 41(1), 116-145.
- Powell, W. W., & Smith-Doerr, L. (1994). Networks and economic life. In N. Smelser & R. Swedberg (Eds.), *The Handbook of Economic Sociology* (2nd ed., Vol. 368, pp. 380). Princeton: Princeton University Press.
- Prahalad, C., & Hamel, G. (1990). The core competencies of the corporation. *Harvard Business Review*, 68(3), 79-91.
- Prahalad, C., & Hamel, G. (1994). Strategy as a field of study: Why search for a new paradigm? *Strategic Management Journal*, 15(S2), 5-16.
- Priem, R. L., & Butler, J. E. (2001). Is the Resource-Based "View" a Useful Perspective for Strategic Management Research? *Academy of Management Review*, 26(1), 22-40.

- Putnam, R. (1993). The prosperous community: Social capital and public life. *The American Prospect*(13), 35-42.
- Putnam, R. (1995). Bowling alone: America's declining social capital. *Journal of Democracy*, 6(1), 65-78.
- Putnam, R. (2000). *Bowling alone: The collapse and revival of civic America*. New York City: Sirmon & Schuster Paperbacks.
- Ratcliffe, J., & Flanagan, S. (2004). Enhancing the vitality and viability of town and city centres: the concept of the business improvement district in the context of tourism enterprise. *Property Management*, 22(5), 377-395.
- Reichard, C., & Röber, M. (2012). *Remunicipalization in Germany-Trends and Interpretations*. Paper presented at the 22nd World Congress of IPSA, Madrid.
- Reyes, L. (2011). Westchester Square: The Crossroads of the Southeast Bronx. Retrieved from *The Bronx Journal*: <http://bronxjournal.com/2011/12/westchester-square-the-crossroads-of-the-southeast-bronx/>
- Ricardo, D. (1817). *On the principles of political economy and taxation*. London: John Murray.
- Ridder, H.-G. (2017). The theory contribution of case study research designs. *Business Research*, 1-25.
- Rittel, H. W., & Webber, M. M. (1973). Dilemmas in a general theory of planning. *Policy Sciences*, 4(2), 155-169.
- Riviezzo, A., de Nisco, A., & Rosaria Napolitano, M. (2009). Importance-performance analysis as a tool in evaluating town centre management effectiveness. *International Journal of Retail & Distribution Management*, 37(9), 748-764.
- Rogowsky, E., & Gross, J. S. (1997). 'To BID or Not to BID': Economic Development in New York City. *Metropolitics*, 1(4), 7-8.
- Rolfstam, M. (2012). *Understanding public procurement of innovation: definitions, innovation types and interaction modes*. Retrieved from SSRN: http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2011488
- Romer, P. M. (1990). Endogenous technological change. *Journal of Political Economy*, 98(5, Part 2), S71-S102.
- Rowthorn, R. (2000). Kalecki Centenary Lecture the Political Economy of Full Employment in Modern Britain. *Oxford Bulletin of Economics and Statistics*, 62(2), 139-173.
- Ruffin, F. A. (2010). *Hybrid governance and network management in the globalizing metropolis: A comparative case study examining the impact of law on the business*

improvement district model in Cape Town and Newark. (Ph.D. thesis), Rutgers University New Jersey-Newark, New Jersey.

Rumelt, R. (1984). Towards a strategic theory of the firm. In R. Lamb (Ed.), *Competitive strategic management* (pp. 556-570). New Jersey: Prentice-Hall.

Safford, S. (2007). *Why the garden club couldn't save Youngstown: Civic infrastructure and mobilization in economic crises*. Cambridge, MA: Harvard University Press.

Sala-i-Martin, X. X. (1996). Regional cohesion: evidence and theories of regional growth and convergence. *European Economic Review*, 40(6), 1325-1352.

Sassen, S. (2011). *Cities in a world economy* (4th ed.). Thousand Oaks: Sage Publications.

Schaller, S., & Modan, G. (2005). Contesting public space and citizenship implications for neighborhood business improvement districts. *Journal of Planning Education and Research*, 24(4), 394-407.

Schendel, D., & Hofer, C. W. (1979). *Strategic management: A new view of business policy and planning*. London: Little, Brown Book Group.

Scholl, C., & Kemp, R. (2016). City labs as vehicles for innovation in urban planning processes. *Urban Planning*, 1(4), 89-102.

Schwab, A., Taylor, L., Wilson, J., Griffiths, J., Masundire, C., & Rich, H. (2016). *The evolution of London's Business Improvement Districts*. Retrieved from Greater London Authority:

https://www.london.gov.uk/sites/default/files/evolution_of_londons_bids_march2016_web_020316.pdf

Schwab, K., & Sala-i-Martin, X. (2015). *The global competitiveness report 2015–2016*. Retrieved from World Economic Forum: http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf

Scott, A. J. (2006). Creative cities: Conceptual issues and policy questions. *Journal of Urban Affairs*, 28(1), 1-17.

Scott, A. J. (2010). Cultural economy and the creative field of the city. *Geografiska Annaler: Series B, Human Geography*, 92(2), 115-130.

Scott, A. J., & Storper, M. (2015). The nature of cities: the scope and limits of urban theory. *International Journal of Urban and Regional Research*, 39(1), 1-15.

Setterfield, M. (1997). 'History versus equilibrium' and the theory of economic growth. *Cambridge Journal of Economics*, 21(3), 365-378.

- Siggelkow, N. (2001). Change in the presence of fit: The rise, the fall, and the renaissance of Liz Claiborne. *Academy of Management Journal*, 44(4), 838-857.
- Simmie, J. (2002a). Knowledge spillovers and reasons for the concentration of innovative SMEs. *Urban Studies*, 39(5/6), 885-902.
- Simmie, J. (2002b). Trading places: Competitive cities in the global economy. *European Planning Studies*, 10(2), 201-214.
- Simmie, J., & Martin, R. (2010). The economic resilience of regions: towards an evolutionary approach. *Cambridge Journal of Regions, Economy and Society*, 3(1), 27-43.
- Singhal, S., McGreal, S., & Berry, J. (2013). Application of a hierarchical model for city competitiveness in cities of India. *Cities*, 31(0), 114-122.
- Sirmon, D., Gove, S., & Hitt, M. (2008). Resource management in dyadic competitive rivalry: The effects of resource bundling and deployment. *Academy of Management Journal*, 51(5), 919-935.
- Sirmon, D., Hitt, M., & Ireland, D. (2007). Managing firm resources in dynamic environments to create value: Looking inside the black box. *Academy of Management Review*, 32(1), 273-292.
- Sirmon, D., Hitt, M., Ireland, D., & Gilbert, B. A. (2011). Resource orchestration to create competitive advantage: Breadth, depth, and life cycle effects. *Journal of Management*, 37(5), 1390-1412.
- Sotarauta, M. (2005). Shared leadership and dynamic capabilities in regional development. In I. Sagan & H. Halkier (Eds.), *Regionalism Contested: Institution, Society and Governance*. Burlington, VT: Ashgate.
- Spekman, R. E. (1979). Influence and information: An exploratory investigation of the boundary role person's basis of power. *Academy of Management Journal*, 22(1), 104-117.
- Steel, M., & Symes, M. (2005). The privatisation of public space? The American experience of Business Improvement Districts and their relationship to local governance. *Local Government Studies*, 31(3), 321-334.
- Stoker, G. (1998). Governance as theory: Five propositions. *International Social Science Journal*, 50(155), 17-28.
- Stoker, G. (2006). Public value management a new narrative for networked governance? *The American Review of Public Administration*, 36(1), 41-57.
- Stokes, R. J. (2007). Business improvement districts and small business advocacy: The case of San Diego's citywide BID program. *Economic Development Quarterly*, 21(3), 278-291.

Storper, M. (1995). The resurgence of regional economies, ten years later the region as a nexus of untraded interdependencies. *European Urban and Regional Studies*, 2(3), 191-221.

Storper, M. (1997). *The Regional World: Territorial Development in a Global Economy*. New York, NY: Guilford Press.

Strohl, M. (2013). *FAB Alliance Press Release: Fulton Area Business Alliance announces completion of vision document*. Retrieved from BID website: <https://docs.google.com/file/d/0B1AxguhKzUGYOWt5LWk1T2hiNGhXcmViVDAwbzRubzRaNWtB/edit>

Sutton, R. I., & Callahan, A. L. (1987). The stigma of bankruptcy: Spoiled organizational image and its management. *Academy of Management Journal*, 30(3), 405-436.

Szreter, S. (1997). A new political economy for new labour: The importance of social capital. *Renewal*, 7(1), 30-44.

Szreter, S., & Woolcock, M. (2004). Health by association? Social capital, social theory, and the political economy of public health. *International Journal of Epidemiology*, 33(4), 650-667.

Taylor, H., & Luter, G. (2013). *Anchor institutions: An interpretive review essay*. Retrieved from Community-Wealth.org platform: http://community-wealth.org/sites/clone.community-wealth.org/files/AITF_0.jpg

Teece, D. (2007). Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.

Teece, D., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509-533.

Thales. (2012). *The interconnected city: improving the quality of life of citizens*. Retrieved from Thales Group: [https://www.thalesgroup.com/sites/default/files/asset/document/12_pages_A4 - Smart City-GB.pdf](https://www.thalesgroup.com/sites/default/files/asset/document/12_pages_A4_-_Smart_City-GB.pdf)

Thomson, A. M., & Perry, J. L. (2006). Collaboration processes: Inside the black box. *Public Administration Review*, 66(s1), 20-32.

Thornton, P. H., Ocasio, W., & Lounsbury, M. (2012). *The institutional logics perspective: A new approach to culture, structure, and process*. Oxford: Oxford University Press.

Trigilia, C. (2001). Social capital and local development. *European Journal of Social Theory*, 4(4), 427-442.

- Tura, T., & Harmaakorpi, V. (2005). Social capital in building regional innovative capability. *Regional Studies*, 39(8), 1111-1125.
- Turok, I. (2004). Cities, regions and competitiveness. *Regional Studies*, 38(9), 1069-1083.
- Turok, I. (2009). The distinctive city: pitfalls in the pursuit of differential advantage. *Environment and Planning A*, 41(1), 13-30.
- United Nations. (2014). *World urbanization prospects, the 2014 revision: Highlights*. Retrieved from UN Department of Economic and Social Affairs: <https://esa.un.org/unpd/wup/publications/files/wup2014-highlights.Pdf>
- Urwin, C. (2006). Urban myth: why cities don't compete. *Centre for Cities Discussion*.
- Van den Berg, L., & Braun, E. (1999). Urban competitiveness, marketing and the need for organising capacity. *Urban Studies*, 36(5-6), 987-999.
- Vanolo, A. (2014). Smartmentality: The smart city as disciplinary strategy. *Urban Studies*, 51(5), 883-898.
- Vaz, T. d. N., & Nijkamp, P. (2009). Knowledge and innovation: The strings between global and local dimensions of sustainable growth. *Entrepreneurship and Regional Development*, 21(4), 441-455.
- Wales, W. J., Patel, P. C., Parida, V., & Kreiser, P. M. (2013). Nonlinear effects of entrepreneurial orientation on small firm performance: The moderating role of resource orchestration capabilities. *Strategic Entrepreneurship Journal*, 7(2), 93-121.
- Walsh, J., Tushman, M., Kimberly, J., Starbuck, B., & Ashford, S. (2007). On the Relationship Between Research and Practice: Debate and Reflections. *Journal of Management Inquiry*, 16(2), 128-154.
- Walsh, M. W., & Davey, M. (2013, July 19, 2013). Billions in Debt, Detroit Tumbles Into Insolvency. Retrieved from *New York Times*: http://www.nytimes.com/2013/07/19/us/detroit-files-for-bankruptcy.html?pagewanted=all&_r=0
- Ward, K. (2006). 'Policies in motion', urban management and state restructuring: the trans-local expansion of business improvement districts. *International Journal of Urban and Regional Research*, 30(1), 54-75.
- Ward, K. (2007). Business improvement districts: policy origins, mobile policies and urban liveability. *Geography Compass*, 1(3), 657-672.
- Warner, M. E. (2011). Club goods and local government: questions for planners. *Journal of the American Planning Association*, 77(2), 155-166.

- Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic management journal*, 5(2), 171-180.
- Westlund, H., & Adam, F. (2010). Social capital and economic performance: A meta-analysis of 65 studies. *European Planning Studies*, 18(6), 893-919.
- Wickel, M., Kreutz, S., & Bitz, K. (2007). *Recherche nach internationalen Beispielen für private Initiativen zur Qualitätsverbesserung von Wohngebieten, Das Hamburger Modell im internationalen Kontext*. Retrieved from HCU Hamburg: http://www.urban-improvement-districts.de/files/File/HCU-Gutachten_Internationale-Recherche_03-12-2007.pdf
- Williams, P. (2013). We are all boundary spanners now? *International Journal of Public Sector Management*, 26(1), 17-32.
- Wilson, C. (2009). *The Myrtle Avenue Revitalization Project LDC*. Retrieved from Rutgers School of Public Affairs and Administration Case Portal: https://casesimportal.newark.rutgers.edu/storage/documents/multi_level_governance_networking/public/case/myrtle_avenue_revitalization.pdf
- Wilson, D. (2004). Toward a contingent urban neoliberalism. *Urban Geography*, 25(8), 771-783.
- Wolf, J. (2008). Business improvement districts' approaches to working with local governments. In G. Morçöl, L. Hoyt, J. W. Meek, & U. Zimmermann (Eds.), *Business improvement districts: Research, theories, and controversies* (Vol. 1, pp. 269). New York City: Taylor & Francis Group.
- Wolfe, D. (2013). Civic governance, social learning and the strategic management of city-regions. In D. B. Audretsch & M. L. Walshok (Eds.), *Creating Competitiveness. Entrepreneurship and Innovation Policies for Growth* (pp. 6–25). Cheltenham, UK: Edward Elgar Publishing.
- Wollmann, H., & Marcou, G. (2010). From public sector-based to privatized service provision. Is the pendulum swinging back. In H. Wollmann & G. Marcou (Eds.), *The Provision of Public Services in Europe: Between State, Local Government and Market* (pp. 168-182). Cheltenham, UK: Edward Elgar.
- Woolcock, M. (1998). Social capital and economic development: Toward a theoretical synthesis and policy framework. *Theory and Society*, 27(2), 151-208.
- Woolcock, M., & Narayan, D. (2000). Social capital: Implications for development theory, research, and policy. *The World Bank Research Observer*, 15(2), 225-249.
- Yin, R. K. (2014). *Case Study Research: Design and Methods* (5th ed.). Thousand Oaks: Sage Publications.

Ysa, T. (2007). Governance forms in urban public-private partnerships. *International Public Management Journal*, 10(1), 35-57.

Zimmermann, O. (2014, 01.02.2017). Macht die Politik die Lüneburger Straße kaputt? Retrieved from *Elbe Wochenblatt*: <http://www.elbe-wochenblatt.de/alvesen/lokales/macht-die-politik-die-lueneburger-strasse-kaputt-d27080.html>

8 Appendices

Appendix to Chapter 4

Appendix I: Questions for Local Informants in NYC

Appendix II: Structural Social Capital Dimension of BIDs

Appendix III: BID Goals and Operational Priorities in the Years 2014/15

Appendix IV: Data Illustrating the Link between Social Capital and Resource
Bundling Processes

Appendix to Chapter 5

Appendix V: Questions for Local Informants in the City of Hamburg

Appendix I: Questions for Local Informants in NYC

Introduction and purpose

Let me just give you some short background information about my study and myself. I am a research assistant and PhD student working at the Chair of Strategic Management of Technical University Berlin. Currently doing a research visit at Baruch College (School of Public Affairs). I'm here since the beginning of March and I will stay until the end of May to analyze NYC BIDs. More specifically, I am interested in the role of social networks within the BID, thus relationships between the BID organization, property & business owners, and the wider community, for the development of BID services and their impacts on the neighborhood.

Agreement of confidentiality

With your permission, I will audiotape and take notes during the interview. The recording is to accurately record the information you provide, and will be used for transcription purposes only. If you choose not to be audiotaped, I will take notes instead. If you agree to being audiotaped but feel uncomfortable at any time during the interview, I can turn off the laptop at your request. Or if you don't wish to continue, you can stop the interview at any time.

I would like to point out that the interview is not a test or does not have to goal to point out weaknesses or problems in your BID, so I would appreciate if you answered the questions as honestly as possible.

Your study data will be handled as confidentially as possible. If results of this study are published or presented, individual names and other personally identifiable information will not be used.

Structure of the interview

The interview will be split up in 3 parts:

1. The first part concerns more general information about your position, role and BID mission.
2. The second parts consists of more standardized questions about the social network, the degree of collaboration and trust among BID members.
3. The third part concerns the development process of BID services and the level of innovation activities within your BID.

At any time, you can skip, ignore or discontinue the interview. Feel free to ask if you do not understand the questions. The interview will last around 45min-1h.

QUESTIONS FOR BID REPRESENTATIVES

General information

1. Background information – Since when are you involved in the BID activities? What was your motivation?
2. What is, in your opinion, the goal of the BID?
3. Did the purpose/goals of the BID change over the years?

Social network within BID and community

Internal/organizational:

4. How would you describe the relationship between the BID management and the BID board of directors?
5. How much leeway do you give to the BID manager? How often do you interact?
6. Do you have an active board? Do you develop solutions together?
7. How high is the degree of commitment in terms of attendance to meetings?
8. Are you and board members involved in other social, community, etc. organizations?
9. Would you describe your network as diverse or is it often a meeting of the same suspects as usual?

Members (property & business owners):

Property owners:

10. How would you describe the property owner structure of the BID?
 - Number of property owners
 - How high is the degree of absentee owners?
 - How many property owners also run a business here?
11. How would you describe the degree of collaboration among the property owners?

Business owners:

12. How would you describe the business owner structure of the BID?
 - Number of businesses
 - Family-owned businesses?
 - Corporate stores?
13. How would you describe the degree of commitment of the businesses owners (in terms of attendance of events)?
14. Is there any interaction/collaboration between the business owners?
15. What is the average amount of years the businesses stay in your BID? Failure rate?

External:

City:

16. How would you describe your relationship with the city?

Other Actors:

17. Are there any other community organizations that you work together with?

- LDC or Chamber of Commerce?
- Do you also develop solutions together? To what extent does it influence your work?

18. Does your community have an active citizenry?

- To what extent/How does it influence your BID management activities?

Innovation processes

19. How much time do you spent on day-to-day activities (daily business) to maintain the status quo and how much time do you spend on experimenting – trying something new?

20. Do you have time to engage in creative thinking?

21. What is in your opinion the most innovative service/event your BID developed over the last 5 years?

22. How do you come up with new services/products? Do you have a formal process in place for this kind of activities?

- Internal - brainstorming
- External sources – copy from other BIDs, conferences?
- Collaboration with community organizations

23. Which factors support innovative activities in your BID?

- Level of trust among members
- Diverse skills among members
- Sources outside of the BID

24. Which factors prevent your BID's efforts to develop new or significantly improved services?

- Is there a sort of conformity within your BID hindering innovation?
- Do rigid mental models exist that limit innovative activities?
- Do you have the feeling that the BID becomes complacent and insulated from outside information and challenges?
- Do you think established frames/norms inhibit your innovative abilities?

25. Have there ever been situations, in which BID members refused innovation despite potential gains? Why?

Conclusion

26. BID management is considered to be an innovative organization?

27. Do you consider your BID is an agent for change in the community?
28. Does your BID organization take risks to improve the community?
29. Very briefly, what do you think makes a BID successful?
30. What are the biggest challenges?
31. How do you respond to opportunities or threats in the neighborhood?

Thank you very much for your time and interesting answers! Do you have any questions?

QUESTIONS FOR CITY OFFICIALS

1. How much control does/can city exert on BIDs?
2. Does the city actively get involved in the formation process of BIDs?
3. Would the city take an active role in largening a BID?
4. Do you have different strategies concerning different BID types?
5. Do you get involved in conversations of merging BIDs to reduce costs?
6. How are responsibilities split up between the city administration and BID?
7. What could you do to change the BID management from city perspective?
8. Would you agree that other non-profits on the board have a big influence on BID performance?
9. Does an active citizenry influence BID performance?
10. Do you consider BIDs as driver for innovation?

QUESTIONS FOR COMMUNITY STAKEHOLDERS

General information about person/community board

4. Background information – What is your motivation to be engaged in your organization?
5. What is the role/responsibility/goals of your organization?
6. Have you been involved in the formation process of the BID?
7. What is in your opinion the role/goal of the BID?
8. How would you describe the relationship of your organization to the BID?
9. Have there even been problems in the interaction with the BID?

Social network within community

32. Does the community have an active citizenry?
33. What are anchor institutions in the neighborhood?
34. How would you describe the collaboration of different anchor institutions? Do you develop solutions together? How?
35. Would you describe your network as diverse or is it often a meeting of the same suspects as usual?
36. Do you share the same vision for the development of the area?
37. Would you consider the neighborhood as a closed community or open to change?
38. Would you consider the neighborhood's organizations as innovative? How do you rate the level of activities?

Conclusion

39. In your opinion: What makes a community successful?
40. And what is the role of the BID?

Appendix II: The Structural Social Capital Dimension of sampled BID

	BID organizational level			BID membership level		Community/city level		
	Nb. of board members	Involvement of ED/ board members in other organizations	NGO/ LDC on board	Business owner structure	Property owner structure	Nb. of listed NGOs or private organizations	Nb. of listed city agencies/local elected officials	Anchor institution in district
Bonding BIDs								
Kingsbridge	16	Low		Mainly corporate chains, few small and medium retail	Corporate, non-local ownership, no merchant owners	2	-	
Southern Blvd	16	Low		Clusters of local, regional and national retailers	Lots of family-owned properties, few corporate ownership	3	6	
82 nd Street Partnership	19	Medium		Mixed small and medium retail (High percentage of nail/hair salons)	75% family-owned and immigrant-owned properties	8	16	
Belmont	14	Low		Family-owned food/restaurant businesses	High rate of owner merchants and local landlords	6	4	
Myrtle RD	22	Medium	X	Mix of local independents and national chains	More than 40% owner merchants and local landlords, few brokers	9	6	
Park Slope 5 th Avenue	22	Medium	X	High-end neighborhood-serving convenience retail and dining	Average rate of owner merchants, lots of investment property	14	4	

Bridging BIDs								
Bed-Stuy Gateway	27	Medium	X	Clusters of local, regional and national retailers	Average rate of owner merchants, lots of investment property	12	5	
Grand Street	16	Medium	X	Mix of locally-owned restaurants and bars, independent and national chain retailers	Investment properties, few local landlords low rate of owner merchants	7	22	
Washington Heights	25	Medium		Small retail and corporate chains (High percentage of nail/hair salons)	High rate of local landlords	12	4	
Westchester Square	18	High		Clusters of local, regional and national retailers	Mainly family-owned properties, problem of non-local ownership	8	12	
FAB Alliance	29	High	X	Neighborhood-serving convenience retail and dining (mixed prices)	Low rate of owner merchants, mainly single property owners and some brokers	65	5	X
Myrtle Avenue BK	16	High	X	Destination dining and independently owned retail, as well as many “convenience” businesses	Less than 10% owner merchants, mainly single property owners and some brokers	30	6	X

Table 11: The Structural Social Capital Dimension of Sampled BIDs

Appendix III: BID Goals and Operational Priorities in the Years 2014/15

		Level of involvement (- Uninvolved, + Mostly Uninvolved, ++ Somewhat Involved, +++ Very involved)							
		Primary activities						Supporting activities	
BID	BID mission/priorities	Sanitation	Security	Business Develop.	Marketing	Beautification	Special Programs	Administration	Advocacy/Outreach
Kings-bridge	“[...] keep the streets clean, perhaps graffiti removed from the walls and have our holiday lights and many other minor improvements [...] It's not a whole lot more than that.” (Kingsbridge, ED)	+++	-	-	+	+	-	+++	+
Southern Boulevard	“We need more than what the city supplies and we can keep the streets cleaner. Also, we can do more security. We install cameras to be able to improve the city security [...] we do a lot of marketing to try to bring more people into the area.” (Southern Blvd, Board president)	+++	++	-	++	+	-	+++	+
82 nd Street Partnership	“[...] creating that space where people can come together and can support the local businesses. You provide the support and the strength that local businesses need in order to attract customers [...] work with the community to create a vision” (82 nd Street, ED)	++	-	++	++	++	-	+++	++
Belmont	“[...] generate foot traffic, generate media coverage to promote the businesses.[...] supplying security, supplying sanitation, what that does is that definitely makes the quality of life better for the neighborhood” (Belmont, ED)	+++	++	+	+++	+	-	+++	++
Bed-Stuy Gateway	“[...] enhance sanitation, safety and promote the Bed-Stuy Gateway BID as a destination to live, shop, work and enjoy	+++	++	++	++	++	+	+++	++

	entertainment.” (<i>Bed-Stuy, ED</i>)								
Grand Street	“[...] their main mission is cleaner, safer ... Well, we can't really provide the safety component because we don't have the funds to provide it, but clean. [...] We do want to add programs like retail attraction to proactively bring in retail that is good for the communities.” (<i>Grand Street, ED</i>)	++	-	++	++	+	+	+++	++
Washington Heights	“The mission has always been [...] to keep and maintain a clean and safe environment for the commercials strips [...]. Our goal is that whoever gets out on 181st street is able to see an appealing, clean, free of graffiti environment that’s inviting for them to stay, to shop.” (<i>Washington Heights, ED</i>)	+++	-	++	++	+	+	+++	++
Westchester Square	“We don’t need that [security force] and we’re putting our money more into marketing and social programs [...]. Cleanliness and so on is more important. [...] Making the place the kind of place that people want to come and enjoy.” (<i>Westchester Square, Board president</i>)	+++	-	++	+++	++	-	+++	++
Myrtle Avenue RD	“We are still very interested in keeping the avenue clean and safe and do and promotion. [...] We want to get more involved with having control of what kind of stores come here.” (<i>Myrtle RD, ED</i>)	++	+	++	+++	++	-	++	++
Park Slope 5 th Avenue	“[...] promoting business development and improving the area's quality of life.” (<i>Park Slope Webpage</i>)	++	-	++	+++	+	-	+++	++
FAB Alliance	“Place making created plazas, new programming activities. [...] So our priorities will be will naturally change because the work we've done will now bring more people out on the streets [...] and then you got more customer for businesses.” (<i>FAB Alliance, ED</i>)	+++	+	+++	+++	+++	++	++	+++
Myrtle Avenue BK	“I think first and foremost we want to be a commercial strip that serves the immediate residents.” (<i>Myrtle BK, ED</i>)	+++	+	+++	+++	+++	+++	++	+++

Table 12: BID Goals and Operational Priorities in the Years 2014/15

Appendix IV: Data Illustrating the Link between Social Capital and Resource Bundling Processes

Social capital configuration	District Stabilizer	District Promoter		District Reinventor
	BID a detached organization	BID as community club	BID as facilitator	BID as trusted advocator
<i>Attitude towards change</i>	<i>Desire to maintain a current status quo</i>	<i>System of social connections to exchange ideas</i>	<i>ED as driver for change</i>	<i>Openness towards change and new ideas</i>
	<p>“Sometimes it's problematic to get them [board members] to try new things.” (<i>Southern Blvd, ED</i>)</p> <p>“That's where my board gets [...] Can't we just keep things the way they are, and you can keep trying to do this Katherine?” (<i>Kingsbridge, ED</i>)</p> <p>“It's not everybody is fine with the status quo, but on the other hand, when you tell them all the things involved in it, their eyes cross [...] If we take and allocate more money, and they don't want to.” (<i>Kingsbridge, ED</i>)</p>	<p>“It's really informal because they know each other. Community groups know how to find me [...] If they have an idea, they bounce it off.” (<i>Park Slope, ED</i>)</p> <p>“It's very close and everybody knows each other.” Interviewer: “[...] does it help for the further development of the area?” Interviewee: “[...] it's good because it gives you a good foundation.” (<i>Belmont BID, board member</i>)</p>	<p>“Then a lot of times, I try to go to art exhibits and museums and do my social media and being active in the community and going to events here. [...] that's how I try to get my ideas.”</p>	<p>“Believe or not we're really innovative in terms of the normal BID stuff too. The streetscape stuff. The beautification stuff, which is sort of like, people look at it as routine and probably not an opportunity to be innovative.” (<i>Myrtle BK, ED</i>)</p> <p>“I think we have been innovative and I think we'll continue and have to be innovative. Yes, that's what makes us different. [...] We happen to be a group of very creative, artistic, hip people.” (<i>FAB Alliance, board member</i>)</p>

Recognition of external changes				
	<i>Danger of collective blindness</i>	<i>Lack of support network in BID</i>	<i>Listening to community</i>	
	<p>“Yeah, because you want to be innovative and get new creative ideas. It's hard to do that with the same old crowd.” (<i>Kingsbridge, Board member</i>)</p> <p>“The average age is 75 to 80. They are very wealthy, white men in this community. [...] That's who owns the property. [...] Somehow removed, in a way, from the day to day life of people here.” (<i>Southern Blvd, ED</i>)</p>	<p>“It's very close and everybody knows each other. [...] It's also inhibiting because they become stale if they stay in the same. [...] It doesn't really give you an impetus to develop and expand beyond.” (<i>Belmont, board member</i>)</p> <p>“I would love to see the community get more involved and when we go to the meeting, I find that it's always the same stuff. We talk about the same thing.” (<i>Myrtle RD, board member</i>)</p>	<p>“Some of the property owners are still not happy with what they're seeing” (<i>Westchester Sq, ED</i>)</p> <p>“[...] if you screw up with the money, that's on you. You explain to the property owners why you don't have enough money in the budget.” That's what I [ED] got.” (<i>Westchester Sq, ED</i>)</p>	<p>“We definitely get ideas from the community. The way we operate and have operated from the beginning is we want to keep our ear to the ground. We want to be present at community meetings. [...] Sometimes we create our own, from there that's how a lot of programs are born.” (<i>Myrtle BK, ED</i>)</p> <p>“I mean we started with an idea called Fab Fridays that has grown and evolved and changed as we get feedback from people, surveys we do and conversations. A lot of it's brain storming in here kind of getting that kind of feedback.” (<i>FAB Alliance, ED</i>)</p>
Possibility for learning and experimenting				
	<i>No room for experimenting</i>	<i>Experimenting constrained by administrative workload</i>	<i>Freedom to experiment because standard services operate on autopilot</i>	
	<p>“I don't have a lot of resources to do a lot of experimenting. [...] When I did my promotional activities plan</p>	<p>“Basically, I'm always trying to think of new ideas. Now, getting the time to execute that programming is what becomes challenging.” (<i>Bed-Stuy, ED</i>)</p>	<p>“I'm lucky. I have to say we have our standard programming [...] I've got a really great team [...] We spend a lot of time trying to</p>	

	for 2015, I forgot something. [...] The little key chains and things like that. This became an issue. I'm not talking about a small thing, this is like I have to talk to the board about this that I need an extra \$500." (<i>Southern Blvd, ED</i>)	"I have to do the finances, I have to do the budgeting, manage the board, we have to do other things, and we have to do that, it's really hard. [...] In terms of idea, doesn't stop. You're right, most of the time that I spent here is managing our day to day and executing things. It's a challenge." (<i>82nd Street, ED</i>)	think about what's next. What do we want to do? What would be really cool?" (<i>Myrtle BK, ED</i>)	"The bid is almost operating on automatic pilot." (<i>Myrtle BK, ED</i>)
<i>Leveraging of resources with partners</i>	<i>Limited collaboration with partners</i>	<i>Collaboration with local businesses</i>	<i>Communication with external partners</i>	<i>Collaboration with external partners</i>
	<p>"Elected officials are a strange bird [...] we do our thing. They do their thing." (<i>Kingsbridge, Board member</i>)</p> <p>Interviewer: "[...] if there is another non-profit or state organization in the community, then you might not only have the property owners, but you have a different voice." Interviewee: "My group, they don't want. They don't want a different voice." (<i>Southern Blvd, ED</i>)</p>	<p>"[...] if we had a strong local development corporation, but we don't. [...] So we try to leverage everything that is available here. Yeah. We partner with our own local businesses." (<i>82nd Street, ED</i>)</p>	<p>"There are a lot of institutions locally. What's great is that we try to leverage those relationships when it comes to driving awareness for all of our initiatives." (<i>Washington Heights, ED</i>)</p>	<p>"Especially for the smaller BIDs that you kind of need to reach out as you don't have many resources internally, it helps to have other institutions to work together with." (<i>FAB Alliance, ED</i>)</p> <p>"The leadership at Pratt, at some point, made a real commitment to participating in the life of Myrtle Avenue. [...] It's a huge anchor [...] in terms of their ability to invest resources and things of that nature." (<i>Bed-Stuy board member about Myrtle BK</i>)</p>

Table 13: Data Illustrating the Link between Social Capital and Resource Bundling Processes

Appendix V: Questions for local informants in the City of Hamburg

Introduction and purpose

- I try to understand the interaction between city and BID
- On the one hand, the extent to which BID's relations with city administration are used for the own district (e.g., access to more resources) and the role of BIDs in urban governance networks (embedded in the institutional context)
- On the other hand: the extent to which the city uses its relations with the BIDs and coordinates individual districts to ultimately increase the competitiveness of the city as a whole
- Objective: To derive strategies for cities to coordinate BIDs or to discuss conditions when BID is a suitable tool for neighborhood revitalization

Agreement of confidentiality

With your permission, I will audiotape and take notes during the interview. The recording is to accurately record the information you provide, and will be used for transcription purposes only. If you choose not to be audiotaped, I will take notes instead. If you agree to being audiotaped but feel uncomfortable at any time during the interview, I can turn off the laptop at your request. Or if you don't wish to continue, you can stop the interview at any time.

I would like to point out that the interview is not a test or does not have to goal to point out weaknesses or problems in your BID, so I would appreciate if you answered the questions as honestly as possible.

Your study data will be handled as confidentially as possible. If results of this study are published or presented, individual names and other personally identifiable information will not be used.

Structure of the interview

The interview will be split up in 3 parts:

1. General information about the interviewee's role at the BID
2. BID social network structures
3. Formation and implementation phases of the BID, in particular the interaction with the city

At any time, you can skip, ignore or discontinue the interview. Feel free to ask if you do not understand the questions. The interview will last around 45min-1h.

QUESTIONS FOR BID REPRESENTATIVES

General information

1. Since when were you involved in the BID?
2. What is your role?
3. What was your motivation?
4. How would you define BIDs - as a PPP, as an initiative of private actors, quasi-state actors?

Social capital configuration

Structural dimension

5. How often do you interact directly with the city as BID board member/BID manager?
6. At which level do you mainly interact, city or district?
7. What are the specific departments that you are interacting with?
8. Would you describe the network as diverse or is it a homogeneous group?
9. Is it a stable network or change the actors frequently?
10. What other actors do you are in contact with (besides the city and BID members)?
(e.g. chamber of commerce)

Cognitive dimension

11. Is there a common understanding of city and BID as partners? Do you understand yourself as a partner on equal terms?
12. Does a dichotomy exist between public and private interests?
13. Do cities and BID speak the same language?
14. How would you describe the commitment of BID members and the city (e.g., attendance at meetings)? Do city and BID representatives show a similar commitment?
15. Do BID and city share a vision and the same goals? (e.g., inner-city parking)
16. How would you describe the level of expertise of the district and city level administrations?

Relational dimension

17. How would they describe the relationship between BID and city?
 - Rather formal, no more than in the contract
 - Or rather based on long-standing friendship
18. Are there differences between district- and city-level offices?
19. How would you rate the degree of collaboration between the city and BID?
20. How close is this interaction on a continuum of
 - co-operation (one works independently for a common goal)

- through co-ordination (joint efforts are made and shared resources)
 - to co-creation (joint projects are developed and implemented)
21. Which role do the city representatives have during BID board meetings (advisory, controlling, etc.)?
 22. Can problems be openly addressed?
 23. How would you describe the level of trust among public and private actors?

Leveraging processes

Mobilizing

24. Could you run me through the founding process of the BID? At what point was the city involved and how?
25. Is the city entering a strategic planning process with the BIDs?
26. Do you feel supported by the district office and/or by other municipal authorities?
27. Are resources shared (construction projects, subsidies)?

Coordinating

28. What communication channels are available? How is information flow ensured?
 - On district level
 - On the senate level
 - With other BIDs
 - With other local actors
29. What are the biggest challenges in the interaction city-BID?
30. What are success factors in the interaction of city-BID?
31. Do you feel the city speaks with a voice?

Deploying

32. Does the city use BIDs...
 - to discover local needs for action?
 - as a test lab to implement innovations
33. How are projects created? Most with New Wall, why? Are there BIDs better than others, why?
34. Which activities are routine activities in the interaction with the city? Which are rather unique or strategic?
35. Do you try to establish routines in the interaction with the city and if so, how?
36. What influence does the city have on BID management?
37. Are there control mechanisms or conflict resolution mechanisms?
38. How many projects do you have annually with the city? Do you have success indicators to measure the success of the projects?
39. The number of collaboration has been reduced / increased in recent years?

Link between social capital and leveraging

40. From the BID perspective, could you explain why some city-BID collaborations work better than others?
41. Would you say that less exchange between city-BIDs leads to the standard program being worked on with not so much additional projects happening?

QUESTIONS FOR CITY REPRESENTATIVESGeneral information

1. Since when have you been working as district manager for economic development/BID city official/etc.?
2. How do you understand your role for BIDs?
3. Which tasks do you have besides the BIDs?
4. What role do you think the BIDs have for the city?
5. How would you define BIDs - as a PPP, as an initiative of private actors, quasi-state actors?

Social capital configuration**Structural dimension**

How many offices/persons are working at your district/city administration with BIDs?

How do you interact with the individual BIDs?

Which channels do you use to interact with the BIDs (e.g., BID board meeting)?

Would you describe the network as diverse or is it a homogeneous group? How often do the positions change?

Do you stay in contact with other BIDs across the district's boundaries (e.g., BID experience exchange)?

What other players that you are in contact with, besides city and BID representatives (e.g., chamber of commerce)?

Cognitive dimension

1. Is there a common understanding of city and BID as partners? Do you understand yourself as a partner on equal terms?
2. Does a dichotomy exist between public and private interests?
3. Do cities and BID speak the same language?
4. How would you describe the commitment of BID members and the city (e.g., attendance at meetings)? Do city and BID representatives show a similar commitment?
5. Do BID and city share a vision and the same goals? (e.g., inner-city parking)

6. How would you describe the level of expertise of the district and city level administrations?

Relational dimension

7. How would you describe the relationship between district and city level administration?
8. Do you see a difference between inner-city and edge districts concerning the level of attention?
9. How would they describe the relationship between BID and city?
10. Rather formal, no more than in the contract
11. Or rather based on long-standing friendship
12. Are there differences between district- and city-level offices?
13. How would you rate the degree of collaboration between the city and BID?
14. How close is this interaction on a continuum of
15. co-operation (one works independently for a common goal)
16. through co-ordination (joint efforts are made and shared resources)
17. to co-creation (joint projects are developed and implemented)
18. Which role do the city representatives have during BID board meetings (advisory, controlling, etc.)?
19. Can problems be openly addressed?
20. How would you describe the level of trust among public and private actors?

Leveraging processes

Mobilizing

21. How autonomous are BIDs in their decisions from a city/district perspective?
22. Imagine you have an idea that could be implemented by a BID. How does the idea come from the administration to the BIDs?
23. Are there common strategy development processes?
24. How do you ensure that BID strategy is not contrary to what the district/city would like?
25. Are you sometimes standing in front of the district map and considering where BIDs should be established?
26. Are you animating the collaboration with other local organizations?

Coordinating

A) Within the city:

27. What forms of coordination are there at district/city-level?
28. How is agreement made between the offices?
29. How does coordination work?

B) Coordination district/city-BID:

30. What are success factors in the district-BID coordination?
31. What are the biggest challenges in the interaction?
32. How is information flow ensured? Are BIDs informed at an early stage (e.g., about possible construction work problems)?

C) with other organizations:

33. Is there coordination with other initiatives? How does it work?

Deploying

34. Does the city use BIDs...
 - to discover local needs for action?
 - as a test lab to implement innovations
35. How are projects created? Most with New Wall, why? Are there BIDs better than others, why?
36. Which activities are routine activities in the interaction with the BID? Which are rather unique or strategic?
37. Do you try to establish routines in the interaction with the BID and if so, how?
38. What influence does the city have on BID management?
39. Are there control mechanisms or conflict resolution mechanisms?

Link between social capital and leveraging

40. From the city perspective, could you explain why some city-BID collaborations work better than others?
41. Would you say that less exchange between city-BIDs leads to the standard program being worked on with not so much additional projects happening?