

# ‘Union Gewerbehof’ – A cooperative business centre



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A group of unemployed people in Dortmund (Germany) have come together to create their own jobs by converting derelict industrial buildings into a successful cooperative business centre.



Since the middle of the 1980s, “Union”, the western suburb of the Dortmund inner city district suffered from the gradual closure of a steel factory and breweries. Many people left the suburb, blaming poor housing conditions; and of those who remain, a high proportion (38%) is on social welfare while more than 50% belong to ethnic minorities, or non-German nationalities.

The Union Gewerbehof was started in 1986 by a group of 13 unemployed people, many of whom had previously taken part together in an earlier job creation scheme (ABM, or *Arbeitsbeschaffungsmaßnahme*). Building on their experiences, the group decided to create jobs for themselves – firstly by renovating an abandoned industrial building and secondly by converting the premises into shared (low-rent) business units for local small and medium-sized enterprises (SMEs).

Another goal was to incorporate, where possible, environmental aspects into the project through for example, the use of greener building materials and low energy heating systems.

## Power of self-help

In a remarkable demonstration of the power of self-help, almost all the start-up capital for the initiative came from the members them-

selves – who between them raised a total of €51 000 via 67 shares of €767 each. A further €10 000 was invested by a trade union.

To cover the costs of the renovation of the building, which was completed in 1992, the project also received a regional grant of €2 million. In addition, it received minor assistance from the city’s economic development department.

Today, the centre houses 90 businesses employing a total of 270 people. Although it includes some larger companies, the majority of tenants are micro-enterprises or single self-employed people, many of them in sectors such as creative industries, training and consultancy.

## Simple model

The Union Gewerbehof has a very simple operating model. It does not need to advertise for tenants, and despite a higher than average turnover of tenants, space rarely stays empty for longer than a month or two. The only services formally on offer, apart from space and utilities, are meeting rooms, toilets, photocopier and coffee machine. There is also a vegetarian canteen and a coffee shop, but that is run as separate self-supporting business.

And this is a model that works: With an annual income of around €500 000, the Gewerbehof supports itself financially. Rent averages €5 (plus approximately €2,4 for charges) per month and square metre. Crucially, tenants do not need to put up a guarantee to secure a space, making the centre accessible to all entrepreneurs.

### Union Gewerbehof

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