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Young Entrepreneurs in Rural Northumberland and

County Durham

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Abstract

This research report identifies the bridges and barriers to enterprise in the start-up accounts provided by eighteen young people who have started businesses in Tynedale, Teesdale and Weardale districts in the North East of England. It identifies business start-up as an important strategy for these rural young people as they negotiate the transition to employment and independent living, and seek a rewarding and productive place in the rural labour market. The research draws attention to pull factors, some mirroring characteristics of an entrepreneurial culture) which enabled the participants to see enterprise as a realistic option and which then supported them in the processes of business start-up. It identifies tangible and intangible bridges: including positive examples of business start-up by other young people; low/no risk financial capital; supportive formal and informal networks; and access to low/no cost premises for living and working. The report offers a typology of young entrepreneurs which illuminates how some young people have privileged access to the resources necessary for start-up, generated among families and traditional resource-rich rural networks. The typology also reveals that incomers to the area have a greater capacity to perceive and exploit markets beyond the local area which they pursue through their own networking.

Foreword

TABLE OF CONTENTS

1. INTRODUCTION

The need to understand and tackle the challenges facing young people in rural areas is increasingly finding a voice in policy debates at European, national and local level (Council of Europe, 2001; DEFRA, 2001; North Pennines LEADER+ Programme, 2001). In the words of Sir Ewen Cameron, former chairman of the Countryside Agency

> *"The bottom line is that we need to give the young reasons to stay and opportunities to capitalise on their potential.* [1]

The debate at policy level reflects the emergence of rural youth as a topic of academic research:

> *"The need to understand the nature and form of young peoples' encounters in rural society constitute critical components of a research agenda for rural development and social exclusion"*   (McGrath, 2001,492)

At one level, the issues facing rural youth, as they negotiate the transition from school and home life into employment and independent living, are the same as those for their urban counterparts: transport, housing, employment. However, what identifies rural young people as a target group in socio-economic development policy is (a) the way in which these issues interact in the lives of rural young people and (b) the social and economic consequences for rural areas generally if young people migrate out of their locality.

One component of the policy response has been to place the category of rural youth within a wider discourse of entrepreneurship and rural development (OECD, 1998a, European Commission, 2001; PIU 1999; One North East, 2002; North East Rural Affairs Forum, 2002; Countryside Agency, 2003). The growing appreciation in rural development policy of the need to identify, and build on, the strengths of regions and local areas rather than to import development solutions and strategies, switches the

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[1] After-dinner speech, 'The rural youth', Rural Labour conference.

rationale of interventions to an indigenous form of 'enterprise society', with particular emphasis being given to new start-ups and the small/micro-business sector.

This report presents findings of a study which examined the business biographies of 18 young entrepreneurs in three districts of the North East: Tyneda1e, Teesda1e and Wearda1e. The study explored the reasons for these young people starting up in business, what support they received and how they accessed that support, and whether some were better placed than others to set-up a business.

Of the 18 informants, all but one had set-up their businesses before they were 30 years of age and all before the age of 32 (one entrepreneur had subsequently ceased trading). Although the upper age limit in terms of youth policies varies between 18 and 25 years, studies have shown that young people in rural areas generally experience longer transitions from dependent to independent living due to the challenges faced accessing employment and affordable housing (Jentsch and Shucksmith, 2003). This, and the fact that many of the participants in this study were selected through The Prince's Trust (whose Business Programme is open to anyone up to the age of 30 years), meant that, for present purposes, young people were defined as being between 16 and 30 years old.

The participating entrepreneurs talked about their experiences through a combination of semi-structured one-to-one interviews and small focus groups. The use of the latter encouraged discussion among the participants that was more open than might have been the case in larger groups. Focus groups were split between men and women so as to isolate any difference in start-up accounts along gender lines. Eight informants were women and ten were men. Some information on educational attainment and financial assistance was also gathered using a postal questionnaire.

The research shows how young entrepreneurs in the area differentially accessed start-up resources. It presents a picture of entrepreneurs starting their businesses through a combination of individual resourcefulness, and formal and informal support. It demonstrates the importance of generic features of the entrepreneurial culture pursued by certain development policies as well as characteristics specific to the youth sector and to the North Pennine area.

2. ENTREPRENEURSHIP, NETWORKS AND YOUTH TRANSITION

Research on small/micro-businesses and policy has tended to focus on the individual business owner and manager, taking a psychological approach. From an individualistic perspective, the entrepreneur is portrayed as a risk taker, an individual ultimately unimpaired by any external constraints (Chell and Baines, 2000). This puts the emphasis on the 'entrepreneurial personality' and the notion of inherent personality traits (Chell and Haworth, 1992). The entrepreneur is identified as a distinct subgroup of owner/managers - i.e. those who *transform,* rather than maintain, situations - and are associated with high levels of innovation, risk-taking and resourcefulness.

In a qualitative study, Mitchell (1997) is critical of the psychological approach and its focus on the individual, arguing that it has mythologised the entrepreneur and that this, in turn, has hindered the development of insight into entrepreneurship. He advocates, instead, the analysis of entrepreneur biographies as a means of better understanding the processes involved in what is, according to his analysis, a process of *learning* embedded in an entrepreneur's experiences in the domains of business, social and private life. He concludes that, far from being an innate personality trait of special individuals, entrepreneurship is mainly "the accumulation of ordinary experience" (p 13 7).

Whilst recognising that entrepreneurship is a matter of individual choice, the sociological approach shifts the focus more onto the influence of socio-cultural and structural context on the actions of the (potential) entrepreneur, and how this affects the motivation of, and the opportunities available to, the individual (OECD, 1998; Harding, 2002). Consideration of context, and therefore of an individual's access to resources, indicates that notions of risk-taking, innovation and resourcefulness are all relative (Audretsch, 2002). It is this approach that has emerged to inform regional/local socio-economic development policies (PIU, 1999; Countryside Agency, 2002). Moreover, tailoring interventions to local context necessitates research based on local case studies as, for example, in the Global Entrepreneurship Monitoring (GEM) study (Harding, 2002).

The proposition that an entrepreneur is a product of the interplay between society and their own agency begs the questions: 'what are the features of a society that can generate entrepreneurship?'; and 'how can entrepreneurship be measured?'. One comparative study analysed the interplay between structural and cultural factors on rates of entrepreneurship across European regions. Per Davidson (1995) used new business formation rates and regional labour market evidence and measured the prevalence of entrepreneurial values with 34-point Likert scale statements. The study found that start-up rates and subsequent survival depended, in part, on the structural features of a region's labour market: specifically levels of unemployment and small firm density - push and pull factors respectively. High densities of small firms were found to promote a vibrant enterprise culture. Structure and culture were seen as both cause and effect of higher levels of entrepreneurship.

The interrelationship between structure and agency has also informed the construction of various typologies. The GEM study identified 'necessity entrepreneurship', where individuals are pushed due to a lack of better economic choices, and 'opportunity entrepreneurship', where the individual perceives an opportunity independently or from a position of employment. Studies of youth enterprise in South Tyneside and Teesside (MacDonald and Coffield, 1991; Atherton et al, 1997) make the distinction between the 'why' and the 'how' of business start-up. The Sears' typology includes: 'reactive and tactical' (pushed young entrepreneurs); and 'proactive and planned' (pulled young entrepreneurs), both of which, in the process of start-up, transform rather than maintain the status quo. Many, due to their youth and the specific barriers that that poses, had to be highly resourceful. However, Sears also identified a third entrepreneurial grouping, the 'hybrid', the individual who once pushed then goes on to work proactively.

Accepting entrepreneurship as the product of more than individual personality traits, and recognising that entrepreneurial motivation can include an individual's wish to change their social and economic status, policy is turning to the potential impact that the encouragement of an enterprise culture can have on rates of enterprise formation and, therefore, on rural development in general (OECD1998; PIU, 1999; North Pennines LEADER+ Programme, 2001):

"the nature of entrepreneurship as a social phenomenon means that social networks and cultural values and beliefs within communities can have an important role in whether a community fosters entrepreneurship or smothers it" (Countryside Agency, 2002, 10)

An 'entrepreneurial culture' is defined as one that presents enterprise as a realistic choice for the individual. An entrepreneurial culture is one in which the value and status afforded to enterprise and of being an entrepreneur is high. Legitimate failure does not carry stigma, experimentation is encouraged, and there is a belief in the potential for financial payoff. An enabling and entrepreneurial structure is one where support and expertise is accessible through constructive networking (Wicksteed, 1999; Countryside Agency, 2002).

Though limited, the research on youth enterprise concurs with the sociological approach. An evaluation of the Enterprise Allowance Scheme in Teesside by MacDonald and Coffield (1992) pointed to the fact that young people and their enterprises are disadvantaged by their age and locality. Another study (Prince's Trust, 2001) focused entirely on young people who had accessed enterprise support through The Prince's Trust. It included in the factors affecting their success: low-interest loans; start-up courses; experience of self-employment; and support from family, friends and from other agencies. Both studies concurred with an OECD report (1998) that highlighted the main barriers to youth enterprise as: securing capital; limited work experience; and lack of networks.

The discourse and practice of entrepreneurship (and of relevant interventions) is also increasingly informed by the concepts of 'networks' and 'networking'. The distinction between an emphasis on networking and on networks reflects the duality between the 'individual entrepreneur' and the 'individual entrepreneur within context'. From the standpoint of those who see the 'individual entrepreneur' as a producer of enabling networks, the emphasis falls on the act of networking to access resources. From the 'individual entrepreneur within context' perspective, however, the emphasis is simultaneously on existing networks and the act of networking. The inclusion of existing networks generates insights into why some individuals might be better placed

than others to succeed as entrepreneurs. This brings to the fore issues of exclusion and inclusion from networks and their resources.

Chell and Baines (2000) emphasise 'networking', using Granovetter's theory of strong ties (those based on trust between family and close friends) and weak ties (those of short duration and low frequency) to explore the characteristics of genuinely entrepreneurial businesses. Acknowledging the importance of qualitative data for such an investigation (networking cannot be understood merely by measuring frequency), they conclude (a) that there exists a strong association between 'networking' activity - the actions of an entrepreneurial individual to produce weak ties - and business performance, and (b) that, whilst strong ties have their place in business ownership and management, the ability or will to network and create weak ties is what distinguishes the entrepreneur.

However, the significance of *strong* ties in small businesses has been a central theme in the literature on family and micro-businesses generally and rural micro-businesses specifically. The importance of familial labour and support in the start-up and survival strategies of micro-businesses has been repeatedly demonstrated in qualitative studies (Wheelock, 1992; Ram and Holliday, 1993; Gibb and Handler, 1995). This is despite the fact that other research on family and micro-businesses indicates that strong ties and their related value systems can, in fact, act to the *detriment* of a business, hindering the efficient and rational allocation of resources. They can, for example, determine access to human capital by gendering work and limiting labour to family members and restrict a business's risk taking capacity (Rowe and Hong, 2000). The effect of social structures and the values embedded in them can work to limit entrepreneurship.

Nonetheless, recourse to strong ties and associated values can be seen as a coping strategy for entrepreneurs in a rural economy. A recent study of rural businesses' responses to the Foot and Mouth Disease crisis in the North East of England provided evidence of the importance of strong ties to microbusinesses and the rural economy when faced with crises. It highlighted the role of the values associated with such ties (loyalty for example) and provided evidence of the variety of methods business owners, their families and employees used to maintain those strong ties - such as

finding sources of extra income (Phillipson et al., 2002). In this way, relying on and maintaining strong ties is resourceful in the rural context where, due to characteristics of the labour market, strong ties provide an effective, long-term coping mechanism to maintain a business.

Burt's (2002) theoretical account of entrepreneurial motivation and opportunity concurs with Chell and Baines (2000) in distinguishing between strong and weak ties, networks and networking. Burt develops the argument by introducing another element to the network structure discourse: 'structural holes' which describe the gaps between strong tie networks. Entrepreneurs create weak ties across these gaps and so create for themselves a comparative advantage and entrepreneurial opportunity by accessing different resources, specifically information.

'Network sociality' provides a useful route into the discussion distinguishing between production and reproduction, networking and networks. Network sociality, it is claimed, is a feature of late modernity, of globalisation and individualisation (Beck, 1992), the product of an era in which the certainties afforded by universal and traditional narratives are lost and individuals are increasingly forced, and enabled, to determine their own fates. Accordingly, networks are no longer associated solely with long term social relations and the type of trust this develops but, rather, with social contact of short duration, producing 'active trust' for the purpose of individual gain.

The central problem with the focus on network sociality and entrepreneurial networking is that they fail to account for context and the ongoing processes of social exclusion and inclusion. In reality, individuals are not entirely free to determine their own fate. Individualisation in a restructured and riskier society has not been complete, and networks in their pre-network sociality form remain. So, for example, the education and jobs young people access are still predetermined, to an extent, by class, gender, ethnicity, and rurality.

Anderson and Miller (2003) also subscribe to the socially embedded view. They conclude that the most significant indicator of the extent of an entrepreneur's social and human capital assets is their socio-economic background and that the accumulation of these forms of capital, in turn, affects the nature and extent of new

business formation, by affecting the individual's capacity to recognise and pursue opportunities.

Yet, until recently, there has been very little research on the lives of young people in rural areas of Britain. Explorations of youth transitions - the stage between childhood and adulthood - have tended to focus on urban situations and minority groups. Much of the current rural youth transition research is founded in current theories of inclusion and exclusion and the notion that there are multi-dimensional processes at play across society which interact in young people's lives, determining their access to resources.

Jentsch and Shucksmith (2003) outline a typology of the systems and processes involved in the allocation of resources: private systems (market processes); state systems (bureaucratic and legal processes); voluntary systems (collective action processes); and family and friends networks (reciprocal processes). The resources identified as most significant in rural youth transitions, and on which investigations have tended to focus, are housing, transport, and employment (Rugg and Jones, 1999; Cartmel and Furlong, 2000; Parvis et al, 2000; McGrath, 2001). Parvis et al's study of young people in two rural towns and the surrounding areas labels the problem as 'structural poverty', consisting of poor transport to jobs and training; specific features of the rural labour market (low pay, the seasonal nature of work, the mismatch between skills and the needs of the rural labour market); and a housing market in which the limited rented sector is often a young person's only option.

A common theme in rural youth transition research is the role played by social networks (family and friends networks in the typology of systems outlined above) to access work, and suitable and affordable housing. Evidence from North Yorkshire (Rugg and Jones, 1999) identified features and outcomes of the area's network-reliant culture. Jobs and housing were accessed by word of mouth and on the basis of personal recommendation through local kinship and friendship networks, providing security to some and excluding others. Work by Gerry et al. (cited in Jentsch and Shucksmith, 2003) explores further the role of networks in accessing rural labour markets by making the distinction between networks that a young person inherits and reproduces, and those produced by an individual's acts of networking.

Accepting that entrepreneurship is a context-specific term, and noting the barriers to youth enterprise and rural youth transition, this report assumes that all the young people participating are to some extent entrepreneurial, unless the data proves otherwise, and describes them throughout as entrepreneurs. The paper explores the forms that the 'enterprise culture' has taken in the lives of a sample of young entrepreneurs from the North Pennines.

3. DESCRIPTION OF INFORMANT SAMPLE AND STUDY AREAS

The study included participants from three districts in the Northumberland and County Durham areas of the North Pennines LEADER+ Programme area: Tynedale, Teesdale and Weardale. Tynedale district, in Northumberland, is the largest district in England, encompassing a variety of types of rural area: those dominated by commuter settlements along the Tyne Valley within easy reach of Tyneside; and remote and very remote areas, dominated by agriculture and forestry. The major settlement is the market town of Hexham whose labour market is dominated by the service and public sectors (Tynedale District Council). Five of the eight Tynedale participants - identified as incomers, in that they had moved into the area as teenagers or adults - live and run their businesses in the commuter hinterland of the Tyne Valley.

Teesdale, by contrast, is a far smaller district in comparison to Tynedale. It is less accessible than the commuter hinterland of the Tyne Valley with poorer transport links to the nearest city, Durham. Its population is, as a result, more dependant on the services provided by the two market towns, Barnard Castle and Middleton-in-Teesdale. Cleater Bridge is a small hamlet a few miles from Barnard Castle made up of a large estate house, hotel, and farm buildings. The landscape is dominated by traditional farming. Of the eight participants from Teesdale six were indigenous to the area (in that they were born there).

Both Tynedale and Teesdale display characteristics of the 'paternalistic countryside' (Murdoch et al 2002): the landscape being peppered with large country houses and castles belonging to large farms and estates.

Eighteen young entrepreneurs took part in the study. Table 1 shows the geographical spread of the sample and Table 2 gives details of the range of types of business involved.

Table 1: Sample by location and gender

District	Location	No. of informants	Gender
Teesdale	Barnard Castle	3	Male
		4	Female
	Cleater Bridge	1	Male
Tynedale	Allendale	1	Female
	Wark	2	Female
	Kielder	1	Male
	Hexham	2	Male
	Haydon Bridge	l	Male
	Newcastle *	l	Male
Weardale	Crook	1	Female
	Wolsingham	1	Male

* participant originated in Tynedale

Table 2: Sample by type of enterprise

Photography	Illustration and Design	Event Text Messaging
Garden Services	Dry Stone Walling	Service
Specialist Publishing	Gardening/Household jobs	Event Services
Property Maintenance	Agricultural Slurry	Beauty Salon
Iron work	Spreading Sound System	Artist
Farmhouse Cafe	Web and Graphic Design	Breaking/Livery/Schooling

4.   STRUCTURAL, CULTURAL AND FAMILIAL BRIDGES

Push and pull factors

Why did these young people choose to start-up in business? Were they pushed into enterprise or were they influenced by positive motivations?

A theme running through all bar three of the participants' accounts was the desire to stay in the area. This pull factor, however, was accompanied by a variety of push factors concerning local labour markets. Six participants stated that they had started business when unemployed. Of those who had started a business while still in employment, it was negative factors of the job that had pushed them: *"there was no future in it"*, or they *"felt ripped off"* and decided to provide the same service but as their own boss. For the two women with a child (both single parents), the opportunity self-employment created to work from home while looking after their children was included in their reasons for start-up. For another woman the fact that she was qualified for, and wanted to do, what she regarded as a traditionally male job prevented her from applying for jobs in the sector and so pushed her into self-employment.

That the majority of participants were pushed into enterprise for structural reasons did not necessarily mean that there were not also positive factors involved. Many informants described themselves as innovators, looking to provide the market with something different: two-thirds cited providing a quality product, their own style, or providing something entirely new to the market as a motivating factor in their start-up biographies. This response was typical of women and incomers. It was also associated with businesses that had been formed out of a love of, or long-term interest in, a particular activity.

The general exclusion of indigenous men from these motivations might imply that they started businesses with a greater sense of necessity and pragmatism. This may, in part, be due to the fact that in the past they would have expected to inherit their career trajectories but that this was now less of an option. Three individuals were leaving farming, one was leaving a low paid and unrewarding manufacturing job, and one was leaving the dole after a low-paid, insecure and unrewarding job in manufacturing. In the past, rural women might similarly have had pre-determined life trajectories, focused on their

11

role in the home and as mothers. In contrast to the men, however, this option was something some informants had chosen to forego.

Enterprise Culture

Have any of the features of an enterprise culture played a part in the start-up biographies of participants? Half of all the young people had a parent who had started their own business. Three of those who did not mention enterprising parents were sons or daughters of farmers and so direct familial experience of running a business. Half of all the participants mentioned enterprising individuals who had inspired them or provided them with an example to follow. Examples identified explicitly as role models or inspirational tended to have set up in the same sector or had set up as a young person.

Participants also referred to the encouragement received from families and business support organisations, when considering whether to start up:.

> "my family was getting behind me and wanting me to do it. [They] pushed me into doing it, 'cause I was actually quite scared. Initially I thought I might not be able to do this, I might have got into really bad debt. But my parents were really supportive. Like 'do it now rather than later '. A lot of encouragement made me do it. "

As for whether entrepreneurs are afforded any status, or respect for their start-ups, or whether legitimate failure is acceptable in these rural areas, some individuals said that they felt the older generation might respect them for their efforts but most just laughed at the idea.

There were contradictory messages, however, regarding the cultural acceptability of risk-taking activity. On the one hand, participants identified the very nature of rurality - the fact that "everybody knows everybody round here" - as a confining factor. Yet, on the other hand, a number of them said that because they were young and did not have children, were not married and did not have a mortgage, this was a good time to take a risk.

Formal Support

According to one definition of an entrepreneurial culture, motivating features of the culture must be converted into action by "support and expertise available through constructive networking" (Wicksteed, 1999). The first feature of the formal business support prioritised by informants was financial capital. Research on youth enterprise has in the past shown young people's businesses often suffer from a lack of capital and that this, in turn, restricts the opportunities available, both in the choice and running of the business (MacDonald and Coffield, 1991). A number of informants mentioned that their attempts to borrow money from banks had been hindered by an inability to provide sufficient security and by the age (and thus inexperience) of the applicant. A related theme running through the accounts of the minority of individuals willing to get into commercial debt was the role played by grant or loan money in levering additional bank finance:

> "Being young, the funding helped me to get. me feet off the ground, [to] prove [the business] was viable";

> "They [the bank] took me more seriously because I actually had some sort of backing. That was what really got the ball rolling. I suppose it gave me more solid backing."

The bureaucracy associated with accessing grant and low interest loans was criticised, particularly the fact that, for some, accessing two strands of start-up caplta1 meant running their business full time (i.e. not having a second income such as unemployment benefit). Eleven of the 18 participants supplemented their income in their first year, either through the New Deal for young people starting a business or through full or part time employment:

> "There's not many businesses where you start full time, I don't know anyone who was doing something straight away full time. Its like a hobby half the time."

Often, a start-up biography featured names of individuals within the formal business

support organisation who had been instrumental in the start-up process, providing on-going enthusiasm and business enterprise. What was surprising was that this was an important factor regardless of whether an individual's parents ran their own business.

Accounts of formal business support tended to focus on follow-up activities: being called-back after having made an initial enquiry or with promised information; and touching base to see if things were going well. A number of participants associated the reality of business start-up with periods of loneliness and of motivational lows. Visits by mentors, getting out of the office to talk to a researcher, and being given the opportunity to meet with other young entrepreneurs, were all said to have provided remedy:

> *"Its amazing the difference one person coming in and asking how you're doing can make"*

Women and incomers were particularly interested in opportunities to network, in stark contrast to the reactions of indigenous men who either felt such a network already existed (as formal business support or at the pub) or who simply did not see it as necessary. Women also highlighted the importance of sign-posting, knowing where else to go for additional funding and training once they had started. There was also evidence of 'rural myths' regarding some business support:

> *"I thought the money was for inner city things, I just thought it was for people who were unemployed"*

A number of participants used the analogy of "being let into a secret" to describe the process of finding out about funding. Another pointed to the fact his peers were "surprised to find out he had been given money". Others pointed out they "had no idea it was there until they started looking". This final remark links well to the notion of the 'individual, resourceful, networking entrepreneur' and begs the question: is it necessary for people to be told? In other words, if financial support is there, and they are genuinely entrepreneurial, they will find it. However, this view is undermined by

accounts demonstrating that appropriate and pro-active support has the potential to raise the vibrancy of the new enterprise sector.

Constructive networking case study

Teesdale - specifically the area around Barnard Castle - was one district where young people consistently agreed that awareness of support, particularly of finance, and quality of support, was high. Within these accounts useful insights can be gleaned into what constructive networking might mean in a rural area, and of the positive effects it can deliver.

Teesdale Enterprise Agency (TEA) is based at Enterprise House, near the centre of the market town of Barnard Castle. It was established in 1998 as a local facility for Teesdale people and businesses. The result is a one-stop shop for business support and training. TEA has the start-up contract with Business Link County Durham. Start-up clients take part in an 'Enterprise Essentials' course and have reviews at the four-week and six-month stages of trading. They are referred to the Prince's Trust if eligible. TEA also assists clients in making applications to the Teesdale Enterprise Fund (TEF), administered by County Durham Development Company on behalf of the financial source: Glaxo (a major employer in the area). Highly significant in a number of Teesdale's youth start-up biographies, the TEF has enabled businesses to acquire far higher amounts of grant capital than are available in other districts.

Youth enterprise biographies from Teesdale District are unique in this study in that they all make mention of TEA as a primary source of support. The feedback is overwhelmingly positive and presents a picture of a well publicised, well-organised, networked organisation able to link its clients into a variety of funding sources:

> *"Everyone knows about Enterprise House. It's always in the paper"*;
> *"Once you've been in, they keep on, making sure you were doing things right"*;
> *" You can call up and doesn't matter who you speak to, they know something about your business"*;
> *"They're there all the time so you can pop in when you want"*;

"If they know someone that's been in a similar position, or been through it, they'll put you in touch with them".

However, whilst not seeking to undermine the undoubted achievements of TEA, certain caveats need nonetheless to be born in mind. First, there are clear geographical reasons, presented above, why this district is better placed than others to deliver well-networked business support. Second, participants from other areas were also able to relate positive experiences. Third, it cannot necessarily be concluded that a one-stop shop based in a distant market town in a very rural area represents a panacea for the challenges of enterprise set-up.

Strong Ties and Socio-economic Background

Recourse to resources available within the family was a theme running through 15 of the 18 start-up biographies. In 10 cases, the individual was living in the parental home when they started in business. Indeed, many described this as a deliberate start-up strategy. Eight made use of family labour when running their businesses and when this involved keeping the books, it was either mothers or girlfriends who were mentioned (mirroring findings from other research on gender roles in microbusinesses). Mothers took on this role in female-run business as often as male-run businesses. Eight young people admitted to using some financial capital from family, and six young people used family premises for storage of large equipment.

Comparisons across the sample highlight how some individuals were privileged in their entrepreneurial endeavours by the combination of resources which they could access directly from their families. Farmers' sons and daughters were especially privileged in this regard. Whilst financial capital from family members varied in the importance attached to it by informants (grants or low interest loans rating higher in all instances), it is significant that of the eight who made use of this source of capital, six were sons or daughters of farmers. Generally, they described the money as "what was owing to them" from years of working on the farm (i.e. a culturally specific savings scheme) or as "their share" (i.e. an early inheritance). Farmers' offspring were also able to use their parents' premises for storage of equipment. These young people were thus doubly advantaged; having chosen to stay in the area in which their parents farmed, they were thereby also

'networked'. The combination of resources from family and an existing network generally produces businesses of greater capital intensity (a factor enhanced by being located in areas where additional start-up capital grants were available).

That family was so important to business start-up strategies raised important questions about the effect of socio-economic background on entrepreneurial capacity. Although it was not within the parameters of this study to investigate participants' socio-economic backgrounds in depth, it is significant that thirteen of the participants had achieved degree or diploma level qualifications. This reflects findings from previous rural youth transition studies that educational qualifications are the most significant determinant of a successful youth transition to employment in both rural and urban areas (Cartmel and Furlong, 2000). There would appear to be a strong association between socio-economic background and entrepreneurial capacity.

5. TYPOLOGY OF PARTICIPATING YOUNG ENTREPRENEURS

The study informants can be divided into those who were embedded in the traditional social networks of their community and those who had to rely on their own networking efforts. This affected not only the resources available for start-up but also the extent of the market they perceived as being available to their businesses. On the basis of this distinction, three main types of young entrepreneur can be proposed: 'indigenous networked'; 'indigenous networking'; and 'incomer networking' (see Figure 1 and Table 3).

The indigenous networked type

This type represents those who, through their parents' occupation and interests, have access to an established network of people beyond the immediate family. The social capital constituted by these networks generates: an initial, trusting, customer base from which to develop a good reputation; a pool of labourers on which the business can draw at busy times; and a source of casual employment for the entrepreneur during times of low trading. For two informants, the network - not the family - even provided premises and capital for the conversion of farm buildings to suitable business premises.

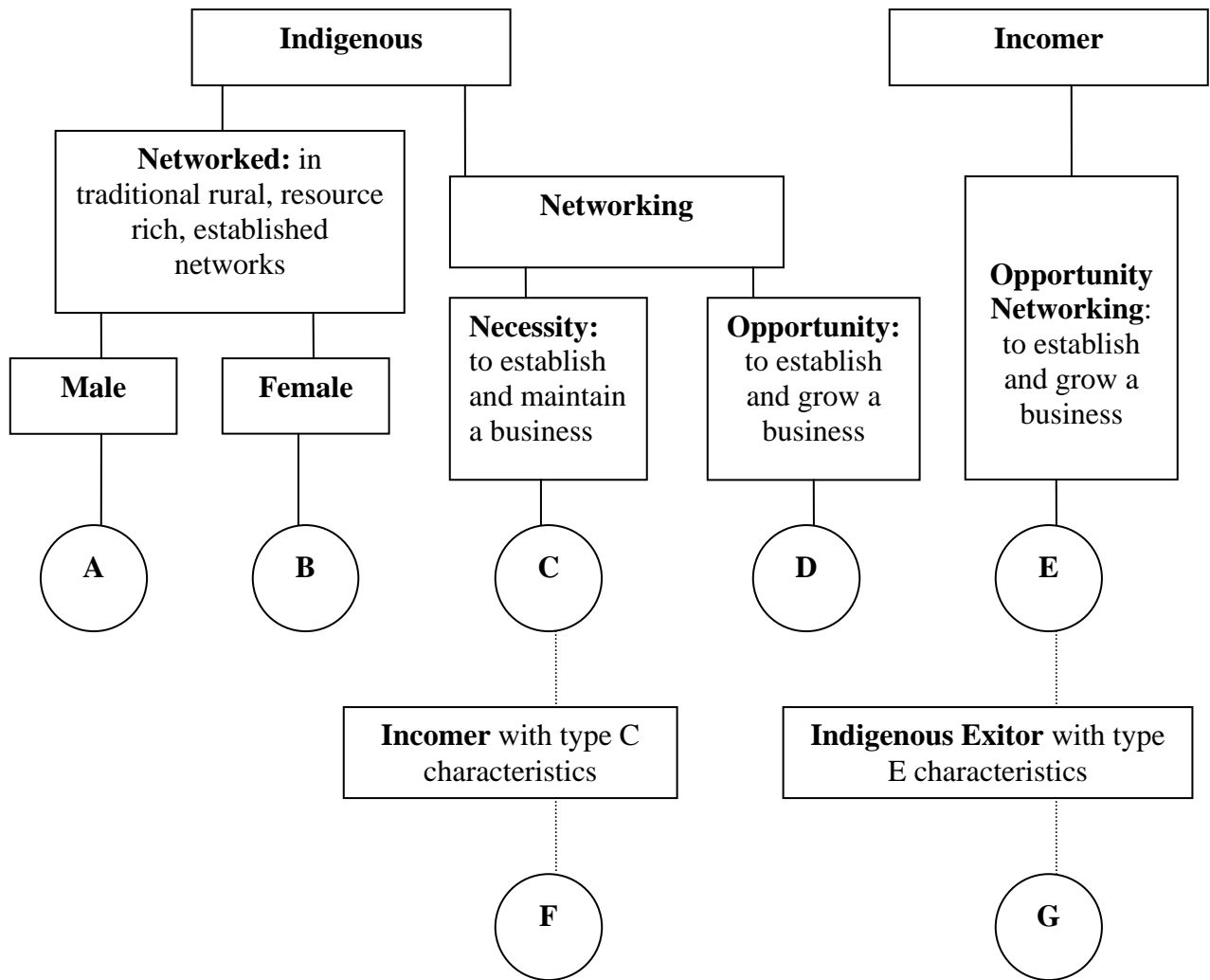**Figure 1 : Typology of Participating Young Entrepreneurs**

Table 3: Numbers of Participants by type

Type	A	B	C	D	E	F	G
No. Participants	3	2	3	3	5	1	1
Male	3	0	2	0	3	1	0
Female	0	2	1	3	2	0	1

Analysis of the start-up biographies revealed one final interesting pattern. There is a clear difference between the types of participating young entrepreneurs in Teesdale when compared to Tynedale. All of the 'indigenous networked' entrepreneurs (types A and B) were found in Teesdale. Four of the five 'income opportunity networkers' (type E) were from Tynedale. In contrast, 'indigenous necessity' and 'indigenous opportunity' entrepreneurs were distributed though all three districts, including Weardale.

The members of this group reproduce their networks through conformity to norms and values that they take for granted and have been brought up to perpetuate:

> "What you tend to do is anyone who is self-employed you give first shout. Then you ring up local farmers. Usually you can find a man especially at this stage when they're just getting started and they're needing that cash boost"

Individuals in the group (and in others) placed particular emphasis on social networks that revolved around the mother. This is in line with the traditional rural woman's role as an individual with links across the community and as an organiser of community events (Little, 2001). The individuals in this group have access to a pool of marketers, whether in the form of the mothers of friends, or friends of friends. Networks containing members with land assets were also valued in that they could support young business starters by subsidising the cost of start-up and controlling costs in the initial, or crisis, years;

> "The landlord's put a new roof new flooring. It's the landlord who owns my [dad's] house so we know him. We knew him years and years ... we got a discount for the first year. It's cheap really. He's got a grant to do it, you see, so it helps him as well"

The indigenous networking type

This type also has links into the community but the networks they make use of in their business start-up accounts are those that they have generated themselves, for example through school, college or when starting and running their businesses. Their businesses are generally less capital intensive than 'indigenous networked' individuals, their strong-tie networks being smaller and, therefore, less well resourced than those of the 'indigenous networked' type. Their weak-tie networks are generally made up of individuals from formal business support organisations, customers and suppliers, as well as other local young networking entrepreneurs with whom they have developed relationships of reciprocity (marketing and making use of each other's businesses).

"I've sort of lost touch with people I knew before I opened the business. I'm quite friendly with local business people."

The incomer networking type

This group consists of people who moved into the area as teenagers or adults. Their networks are similar to those of the 'indigenous networker'; smaller strong-tie networks made up of immediate family, and weak-tie networks of their own making. A female incomer networking individual, for example, was in the process of looking for premises, possibly a barn to convert which her main customer was willing to provide funding to make suitable for her business. These networks manifest the type of social capital developed through network sociality, based on short duration social contact (see Wittel, 2001). Yet what distinguishes this group from the others is that they have, or can conceive of, markets for their businesses beyond the local area; in other words, the structural holes in their networks, actually or potentially, stretch across geography into national and international markets. This is in stark contrast to both the indigenous types.

Both indigenous and incomer types talked of how important it is to be local in order to tap into the local market. However, the advantages enjoyed in this regard by indigenous individuals can also constrain business development by limiting the proprietor's vision, or confidence, beyond what is known. Established networks may also limit perceptions of the type of business which might be viable established. The 'indigenous networked' group is characterised by business types that are traditional, or specific, to rural areas.

Within these main types can be found important sub-divisions. The first is a distinction on the basis of gender within the 'indigenous networked' type. Traditional gender values manifest in an uneven distribution of resources within strong-tie networks;

"They're not too fussed because we're not farmers, we're women ... If I'd gone and said I'm so and so's son and I'm just setting up ... 0h yeah, we'll help you, bombs away."

All participants were asked to list any other young people they knew of in their area who had started their own business. The interesting feature of the answers from the 'indigenous networked men' (all farmers' sons from the same area) was how well networked these individuals were in terms of extent and homogeneity, and the degree of reciprocal arrangements with at least one other in the group or others outwith the study sample. The other groups, including the 'indigenous networked women' sub-category, provided either no list at all or far shorter and heterogeneous lists of apparently less well networked individuals. This suggests the existence of a somewhat exclusive entrepreneurial culture: a self-perpetuating 'constructive network' of young men who had chosen to leave farming and were starting businesses with the help of traditional male and female networks.

A male member of the 'indigenous networking' group described a similar, gendered, network (of which he knew socially rather than in business terms). The network was sector specific - the construction industry – and entirely male. Both the descriptions from this one 'indigenous networker' and the accounts of 'indigenous networked men' mentioned a system of productive partnership; i.e. of separate and different businesses being built on the back of one another, even of being funded with low interest loans from other young entrepreneurs in the network.

The 'indigenous networking' type can also be subdivided: on the basis of the attitude of its members to networking. For some, networking served to create sufficient, rather than excess, demand for the product/service involved whereas, for others, it was seen as a mechanism to drive business growth. These individuals can be called 'indigenous necessity networkers' and, 'indigenous opportunity networkers' respectively. It may be noted, in passing, that the former is made up entirely of men and the latter entirely of women, reflecting a gender dimension to the start-up motivations of the indigenous entrepreneurs.

Of all the types identified, only the 'indigenous networked men' and the 'indigenous necessity networkers' did not mention having problems balancing work and life whereas 10 of the remaining 14 participants commented on this being an important issue. Indigenous men commonly cited the pub as the place where networks were reproduced or produced. 'Indigenous networked women' and incomers both sought

opportunities to network socially.

There are two individuals who do not easily fall into the various categories. The first is a female incomer who has a lot in common with 'indigenous necessity networkers'. She has developed a network of customers for the purpose of her business, is happy with the extent of the network and is not seeking growth of the business or the network. However, whilst she is not from the area, "everyone thinks she is", coming, as she does, from a farming background in the North East. The second individual shares many characteristics of the 'incomers' although he is indigenous to the study area. He does not, however, come from a farming background, has national aspiration for his business, and is building it using a network he has produced himself. What distinguishes him from all the groups is that since starting his business in a rural area he has moved to an urban area both for lifestyle reasons and to accumulate capital for his business through paid employment.

Although the approach to networks and networking differs between types, all stressed the importance of 'word of mouth'.

> "Its like word of mouth, most of it. Everyone knows everyone round here; that's how it works out. My best friends have given us work. That's how you get stuff, really. Word of mouth's better than the yellow pages and everything"

The geography and socio-economics of Teesdale and Tynedale are quite distinct nom each other. The distribution of entrepreneurial types indicates a greater variety of entrepreneurial cultures in the latter district. Tynedale is the more accessible and commuter friendly of the two. Most of Teesdale, by contrast, is not only less accessible but also more dependant on farming and so, possibly, more embedded in the 'paternalistic countryside' of large private estates and farms. This is not to suggest that types A and B do not exist in Tynedale but merely that they did not manifest themselves in this study. It is possible that Tynedale entrepreneurs were less inclined to seek formal business support than their counterparts in Teesdale where well-networked, well publicised, and well-financed formal business support is available. Given the geographical location of the two districts, it is possible that the features of the entrepreneurial culture associated

with the more outward looking young incomer entrepreneurs are more prevalent in Tynedale (in that incomers to the district comprise teenagers and adults, suggesting that the district is a preferred location for the outward-looking, growth-seeking new entrepreneurs). Moreover, a prevalence of dynamic incomer entrepreneurs may be both cause and effect in Tynedale: promoting and reproducing through imitation and inspiration more of the same.

6. CONCLUSION

This study has indicated a variety of bridges to youth enterprise: tangible and intangible. The sample provides an illustration of entrepreneurship as an outcome of agency, structure and the interplay between the two. These businesses are products of individual entrepreneurs who are themselves embodiments of accumulated experience, and structural and cultural context. However, some young people (as a function of the resources and culture available to them) are freer than others to determine their own narratives.

It is important to reiterate the fact that the study sample was relatively small and that the bridges identified in these 18 start-up biographies are not necessarily comprehensive. However, whilst not statistically significant, the findings are based on recurring themes within the data, and the approach taken to data collection allowed the priorities of the participants to be voiced. In these accounts of start-up, evidence of an enterprise culture (particularly, at the level of microbusinesses) in the North Pennines has been identified but it is also clear that there is a need for bridges to be replicated for many more young people in the area. This has implications for the design of development policy, given that (a) the structure of local labour markets is likely to impact on most rural young people and (b) that the numbers of young entrepreneurs that formal business support organisations were able to identify for the purposes of this study was very small.

The study has shown that entrepreneurship can be an important strategy for young people who want to stay in the area but for whom the rural labour market has little or nothing to offer. It has also shown that the category of 'being young' can, in certain cases, provide some of the motivation for taking risks associated with operating a

successful enterprise. Significantly for enterprise policy, it has also shown that many who felt pushed into enterprise because they lacked other choices were nonetheless proactive and positive in their approach to starting and running their businesses. One subset of young entrepreneurs, however - generally indigenous, less well resourced, male and less positive about their choices - serves as a warning not to present business start-up as a panacea for the problems of rural labour markets.

Despite the differences existing between types of young entrepreneur, there are bridges common to each type:

- Relatively high levels of education attainment (human capital in the form of diplomas or degrees);
- The presence of other local business start-ups (within families, by other young people, or in the same sector);
- The ongoing enthusiasm and support (from immediate family and individuals in formal business support organisations);
- Networks, whether established and reproduced, or produced for business purposes;
- Sources of low/no risk financial capital;
- Access to premises in which to live, operate the business and store tools or equipment.

The typology of young entrepreneurs reveals how some individuals had to be more entrepreneurial, risk-taking and resourceful than others because they had access to fewer resources. Identification of the 'networked' versus 'networking', and 'indigenous' versus 'incomer' types of young entrepreneur further illuminates the nature of enterprise subcultures in the North Pennines and the possibilities of developing the bridges to them.

Although the data suggest an optimistic picture for intervention in the form of replicable bridges, it also leaves a number of questions unanswered. It is not clear why members of the indigenous networked group, who had generally been away to university, did not have the capacity to visualise and tap into markets beyond the local area to the same extent that incomers had. Neither is it clear how to address the

24

situation where a close-knit rural community - to whom the concept of legitimate business failure was alien - could prevent some young people from taking risk and starting a new business enterprise.

The need for locally specific intervention, sensitive to differences in entrepreneurial type and culture is thus clear. The potential exists to build on the strengths of the patriarchal countryside networks of landlords and large farmers that are available to indigenous entrepreneurs embedded in those networks across the study area. The parochial nature of some entrepreneur types, however, points to the potential for enhancing the capacity of indigenous young entrepreneurs to develop markets beyond the local area.

To conclude, though it is clear that socio-economic background significantly affects entrepreneurial opportunity and capacity, the picture presented by the study is, generally, optimistic. It has identified some of the bridges to youth enterprise that are either relatively easily replicable or that already exist. It has also demonstrated that bridges and barriers to youth enterprise in rural areas are inextricably linked to the general issues of rural youth transition - for example, housing - suggesting the need for a holistic approach to youth in rural development generally, and to rural enterprise support in particular. Reflecting research on rural youth transitions, the study has shown that access to business start-up resources and support is dependent on networks but, importantly, that young people themselves - indigenous and incomers - can be actors in the creation of networks.

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