

Enterprise and innovation in the context of place

An exploratory comparative
statistical analysis

(Summary report)

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Introduction

Enterprise and innovation in the context of place¹

In reputational terms, North East England seems to live a double life. On one hand, the region's distinctive political and industrial history, landscape and coast, culture, society and cityscapes are lauded and nationally valued. On the other hand, North East England has a reputation for 'underperforming' economically in comparative terms.

Statistically, the region does not fare as well as some other regions. Business density is more sparse, there are fewer business start-ups and productivity is lower than in many other regions. Furthermore, there are fewer jobs available per head of working population and the quality of those jobs tends to be lower than in other areas (using measures such as pay, security, skill and options for advancement).²

In this research project, exploratory conceptual and comparative empirical analysis was undertaken to assess the relative importance of regional assets in securing economic vitality. A distinction is drawn between *measures of performance* (such as metrics on the number of business start-ups, licences and patents, contribution to GDP, area GVA and so on) and *assessments of achievement* which consider success in the context of local assets.

National measures of performance use standardized metrics irrespective of local circumstance. This can advantage some areas if they have a strong asset base. Places with fewer local resources may struggle to meet the same levels of performance - but this may not mean that they have not been successful relative to their assets.

1. Approach to the research

Recent interest in local economies as discrete entities has been growing. Ideas surrounding 'community wealth building' and the 'foundation economy' have caught political imagination in some circles by recognising the value of business activity which is necessarily focused at local level.³

This report proceeds from the point of view that local assets should be at the heart of the exploration of economic vitality. Four types of assets are defined as follows:

- **Ideas:** businesses are tangible manifestations of enterprising people's ideas or dreams. Original and creative ideas about new products, markets, processes, service and so on can be put into action to produce businesses (see next sub-section on innovation). Ideas do not always have to be original or creative. Many businesses represent journeys along 'well-trodden-paths' in, for example, family businesses or in established trades or professions (where apprenticeships must be served, such as plumbing or accountancy). Similarly, 'copy-cat' or 'bandwagon' ideas also produce businesses – though competition means many entrants to the market are short lived (in retailing,

¹ As a summary report, minimal use of referencing has been made. For full references and complete analysis please download the full report here: <https://www.stchads.ac.uk/category/research/research-news/>

² North East Local Enterprise Partnership (2019) *Business growth and innovation ecosystem for the North East*, Newcastle: North East LEP.

³ See: Lang, M, (2019) *A perspective on the foundation economy*, Cardiff: Institute of Welsh Affairs; Foundational Economy Collective (2018) *Foundational economy: the infrastructure of everyday life*, Manchester: Manchester University Press; Guinan, J. and O'Neill (2020) *The case for community wealth building*, Cambridge: Polity Press.

for example, ubiquitous vape shops, micro-pubs and nail bars, or previously, video rental stores).

- **People:** apart from sole-traders who rely on their own mettle to succeed, businesses need to employ people who are or who can become sufficiently committed, motivated, skilled and knowledgeable to make the business a success. Businesses also need customers who will buy their products and champions who will recommend them to others. Champions, customers and employees are resources, but it is not a one-way street; so businesses must also invest in the quality of their experience to ensure that reciprocal trust and confidence is built over time to sustain profitability (see section below on innovative ways businesses can do this).
- **Support:** without support it is hard to get businesses off the ground and sustain them. *Trust and confidence* are essential resources that businesses must build from their customers and staff if they are to invest their own energy and ideas into the business rather than rely wholly on the owner to lead on all fronts. Finance, whether from government grants, loans from financial institutions or loans or gifts from family and friends are essential to establish businesses. But it is a reciprocal arrangement: grants, gifts and loans are rarely given if trust and confidence is in short supply. *Help* is a resource which is often needed by businesses from a range of people including consultants, technicians and financiers to give support and encouragement – but this resource can be underused if businesses fail to recognise need or advice is unheard, or if those who offer support fail to understand what is desired, needed or what is practicable relative to resources and market demand.
- **Places:** As entities, discrete places are not autonomous – they interact with other places directly or indirectly. Nevertheless, within their own universe the economy and society of places affects the day-to-day experience of residents and shapes the options of people who want to start or relocate a business. In affluent local areas, the local marketplace is stronger because people have disposable income. New businesses therefore have more scope to entice better-off people to buy their goods and services. The extent to which places are proximate to and well-connected with other places can create opportunities for residents to commute and can attract incomers to share the experience of their favourable social, cultural and economic environment. More isolated, badly connected and relatively poor places may offer fewer opportunities for business if locals have limited disposable income. But if rents or properties are cheaper and wage levels low, this may attract businesses to establish there. Defining the strength of local assets in places from a business point of view is not therefore a straightforward exercise.

Innovation in the context of place

No matter how many ‘assets’ or ‘resources’ that businesses have to hand, their utility cannot be realised unless entrepreneurs can work out ways of using them creatively to achieve the objective of establishing and sustaining a successful business. In the academic, policy and business support literature this is often called ‘innovation’.

The following list of categories are presented as an *aide memoir* to structure thinking rather than presenting a detailed review of the literature on innovation.⁴

- **Market innovation:** to ‘produce consumers’ by devising products or services which currently do not exist but have potential to capture the imagination of buyers.

⁴ We make no claim that the categories which are listed are new or original – but they derive from our own distillation of material in the academic, business policy and practice literature with the purpose in mind of using them to guide future qualitative research. See full report for full references.

- **Product innovation:** to entice customers to buy or replace existing products by making them, for example, more energy efficient, faster, sleeker or more beautiful.
- **Process innovation:** to make products in a more efficient way by, for example, devising methods of reducing production costs or increasing productivity.
- **Organisational innovation:** to sustain or enhance quality and productivity by, for example, increasing employee efficiency, commitment and motivation by working in different ways or contexts.
- **Collaborative innovation:** to maximise benefits from complementary working with supply chains, knowledge-sharing or marketing and selling cooperatively.
- **Service innovation:** by adding value to products or services, for example, associative product kudos, improving the customer experience and rectifying problems.
- **Place innovation:** by enhancing the broader customer environment (digitally or physically) to improve allure, reputation, footfall and customer retention.
- **Social innovation:** by going the extra mile to contribute to environment and society by starting or supporting local social initiatives politically, financially and with in-kind support.

Research methodology

This project was designed to explore social and economic vitality and business innovation in the context of place. The aim was to look at this topic with ‘fresh eyes’ and employ conceptual and methodological approaches to research to look at issues from different angles.

Data were collated to facilitate case-study analysis on two levels. At the upper level, data were collated in five case-study areas of similar size to the North East LEP area.⁵ Two case-study areas were defined to reflect broadly *similar* local circumstance to the North East LEP area; and two were selected because they were quite *different*.

Within the North East LEP area, eight local case-study areas were defined of broadly similar size (by population) but with distinct characteristics to offer opportunities for comparative statistical analysis. The research was designed to raise questions about interactions between area assets and economic vitality – as measured by the number of business start-ups. This can only tell us so much about other aspects of business entrepreneurship and innovation. Consequently, it was recognised that a follow-up study may be required, to explore such issues more fully.

2 Findings from comparative case-studies in England

A series of statistical indicators are commonly used to assess entrepreneurial vitality. However, robust evidence is rarely available below regional level. As this study aimed to explore variations at a more localised level, evidence on business start-ups was used as the principal indicator of entrepreneurial vitality.

Business start-ups data at local authority level can be used to look at general trends. As shown in Figure 1, starting from a relatively low level of entrepreneurial vitality

⁵ Boundaries and economic portraits of these five areas are provided in the main report. It should be noted that these case study areas only constitute specific areas within the regions within which they are located.

following the global financial crisis of 2008, activity levels rise at more or less the same pace until 2014-2015 and levels off thereafter in all five case study areas.

The volume of entrepreneurial activity varies significantly. In South East England and East of England case-study areas, indications of economic vitality are stronger than in the case-study areas in South West England, the English North Midlands or in North East England.

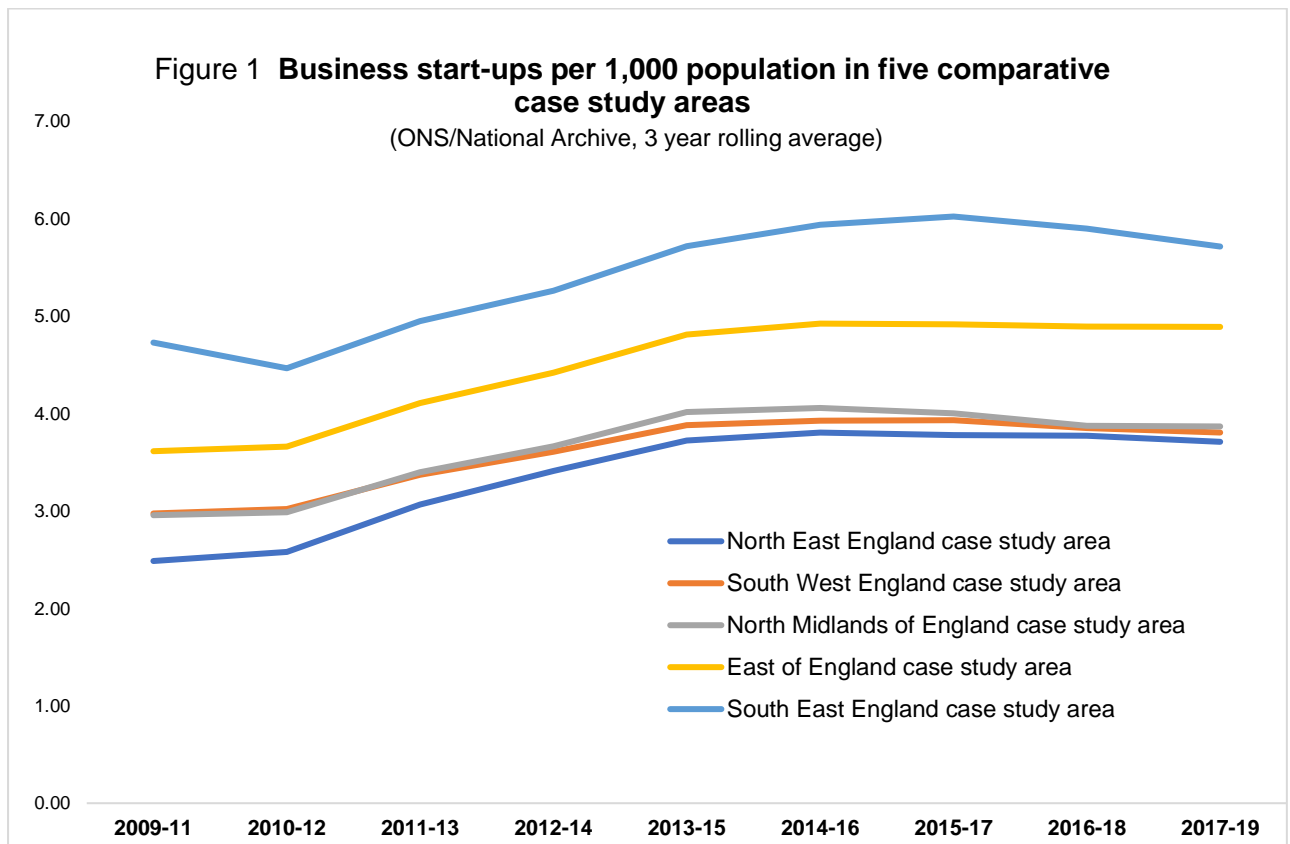


Table 1 shows that the number of business start-ups between 2018-2020 per 1,000 working age population vary across case study areas. In South East England and East of England case-study areas, there were 22.6 and 21.2 start-ups respectively compared with between 15.0 and 15.7 in North East England, English North Midlands and South West England case-study areas.

	Number of enterprises	Start-ups last three years	Start-ups as % of total business stock	Total population	Working age population	Enterprises per 1,000 working population	Start-ups per 1,000 working population
North East England case-study area	67,735	18,306	27.0	1,993,997	1,209,212	56.0	15.1
English North Midlands Case-study area	86,585	20,038	23.1	1,998,011	1,178,304	73.5	17.0
East of England case-study area	85,215	20,247	23.8	1,597,773	932,747	91.4	21.7
South East England case-study area	126,865	31,824	25.1	2,390,228	1,402,266	90.5	22.7
South West England case-study area	94,050	17,654	18.8	1,925,432	1,094,866	85.9	16.1

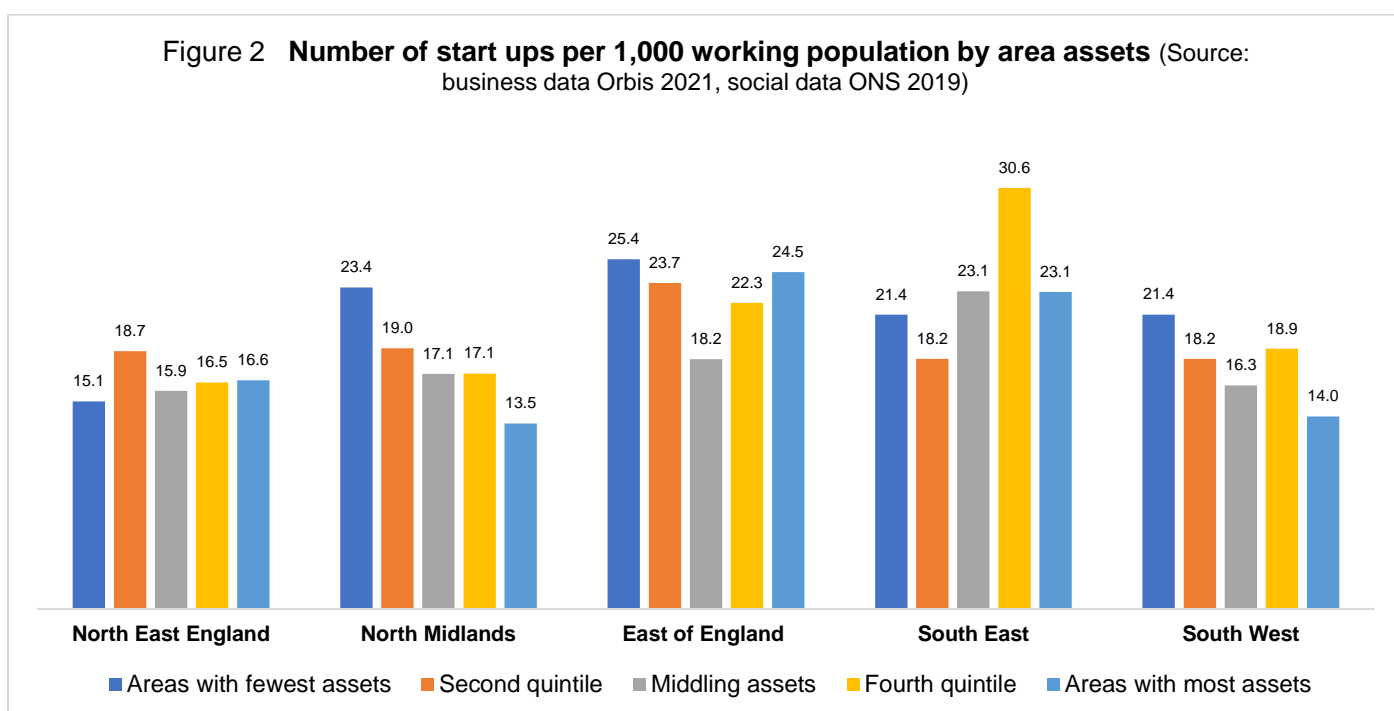
Local social assets and entrepreneurial vitality

Levels of entrepreneurial activity are associated with individual assets (such as educational credentials, skills, employment experience, family wealth and intergenerational entrepreneurial experience) and area assets (access to strong local market opportunities, access to finance, local business networks, business support infrastructure).

A good measure of population assets in discrete localities is available from the English Indices of Deprivation (EID). The indices provide a wide range of indicators on area strengths and weaknesses as related to population wealth, skills and educational credentials, economic activity, health and wellbeing amongst other things.

Usually, these indices are used in a negative way – to assess the extent to which social advantage is ‘absent’ in some areas. It is useful to reverse this approach and concentrate on the ‘presence’ of such advantages in some areas and speculate about the propensity for new businesses to be established in such ‘asset rich’ environments.

Figure 2 shows the number of start-ups per 1,000 working population by area assets (in quintiles from areas with the lowest levels of local assets to the highest). It is clear from this chart that there are many fewer start-ups in less affluent areas such as North East England (15.1) than in more affluent areas (for example, 25.4 in East of England).



Comparative indicators of entrepreneurial potential

In Table 2, ‘projections’ are presented on how many start-ups there *could have been* in North East England if the region produced as many start-ups as in other case-study areas.

The projections in the right-hand column indicate that, all other things being equal, the number of start-ups in North East England would be higher than achieved in the last three years. If this case-study area performed as well as South East England or East of England, there would be 31% more start-ups.

While the South West England and English North Midlands case-study areas are more similar, there would still have been 7-8% more start-ups in North East England. The central columns of Table 2 shown how much variation there would be in areas with varying levels of local area assets.

- In areas with the lowest stocks of social assets, there were 7,158 start-ups in North East England. However, comparing with the record of other case-study areas which face similar challenges of deprivation and social exclusion, there 'could' have been about 3,000 or around 30% more start-ups.
- In case-study areas with middling social assets, The North East of England is doing similarly well compared with the English North Midlands and South West England case-study areas, but far less well than in the South East (there could have been 31% more start-ups).
- In the most affluent areas of North East England, there are about 30% fewer start-ups than would have been the case if conditions were the same as in South East England or East of England case-study areas. On the other hand, North East England is doing considerably better than similar areas in the English North Midlands or South West England case-study areas.

Table 2 Predicted number of start-ups in North East England 2018-2020 if at the same rate as in other case-study areas						
	Areas with fewest assets	Second quintile	Middling assets	Fourth quintile	Areas with most assets	All areas
Actual number of start-ups in North East England⁶	7,158	6,593	3,790	3802	3777	25,120
Predicted number of start-ups if at the same start-up rate as South East England case-study area	10,145 (+29%)	6,397 (-3%)	5,518 (+31%)	7,071 (+46%)	5,234 (+28%)	36,606 (+31%)
Predicted number of start-ups if at the same start-up rate as East of England case-study area	12,059 (+41%)	8,344 (21%)	4,335 (+13%)	5,140 (+26%)	5,562 (+32%)	36,589 (+31%)
Predicted number of start-ups if at the same start-up rate as South West England case-study area	10,154 (+30%)	6,399 (-3%)	3,882 (+2%)	4,371 (+13%)	3,179 (-19%)	27,030 (+7%)
Predicted number of start-ups if at the same start-up rate as North Midlands case-study	11,086 (+35%)	6,671 (+1%)	4,082 (+7%)	3,953 (+4%)	3,064 (-23%)	27,395 (+8%)

The question is: what 'other factors' are compounding lower levels of entrepreneurial vitality in some areas? Speculative explanations will be offered in the concluding section of the report, together with suggestions about these could be researched in a follow up qualitative study.

⁶ The North East England data include Tees Valley in this table.

3 Comparative case-studies in the North East LEP area

Social and demographic features of case-study areas

Case-study areas were chosen because of their distinctive social characteristics whilst being of similar population. As shown in Table 3, there are significant disparities in area assets as measured by: general levels of affluence; adult skills; exclusion from the labour market; and, local health and wellbeing.

	Total Population	Working population	Average EID score (10 = most affluent areas)	Adult skills ranking	Population involuntarily excluded from the labour market	Proportion population suffering health risks
North Northumberland case-study Area	63,609	33,319	5.49	5.55	5.37	6.21
North Tyne Valley case-study area	46,344	24,802	7.32	7.63	6.35	6.23
Newcastle North case-study area	94,356	57,096	6.41	6.79	5.99	4.44
Coast and Tyne case-study area	128,134	73,056	5.12	5.80	4.10	3.70
Gateshead Central case-study area	96,457	59,135	3.15	3.59	3.01	2.00
Sunderland Central case-study area	111,085	67,042	4.47	4.58	3.74	3.04
Durham East case-study area	99,869	57,406	3.17	2.87	2.28	2.09
Durham West case-study area	85,301	47,891	3.22	3.64	2.50	2.25

Entrepreneurial vitality in case-study areas

Currently, there is a lack of knowledge about the interactions between local social and economic wellbeing and entrepreneurial vitality.

Table 4 presents summary data on entrepreneurial vitality in the eight case-study areas. To achieve comparability, the number of businesses and number of start-ups per 1,000 members of the working population were calculated.

It is apparent that business density per 1,000 members of the working population is considerably higher in the relatively rural and spatially remote case-study area of North Northumberland (90.6) and the rural but more urban-proximate case-study area of North Tyne Valley (92.3). Newcastle North case-study area, a largely suburban area, has the lowest density (39.7 per 1,000 working population).

- The number of start-ups per case-study area varies. The most prolific area is Gateshead Central case-study area with 25 start-ups per 1,000 working population compared with lower counts in Sunderland (14.6), Durham East (15.3) and North Tyne Valley (15.5) case-study areas.
- To test the reliability of these findings a second comparison is made – assessing the percentage of start-ups relative to the size of the business stock in each case-study area. These data indicate that the most prolific areas for business start-ups are Newcastle North (43%), Gateshead (40%) and Coast and Tyne (34%) case-study areas.

- It is interesting to note that those case-study areas with the highest business density (North Northumberland and North Tyne Valley) have low percentages of start-ups. It is not known at present whether this represents a ‘saturation’ effect – limiting obvious scope for new businesses.

Table 4 Social assets and entrepreneurial vitality

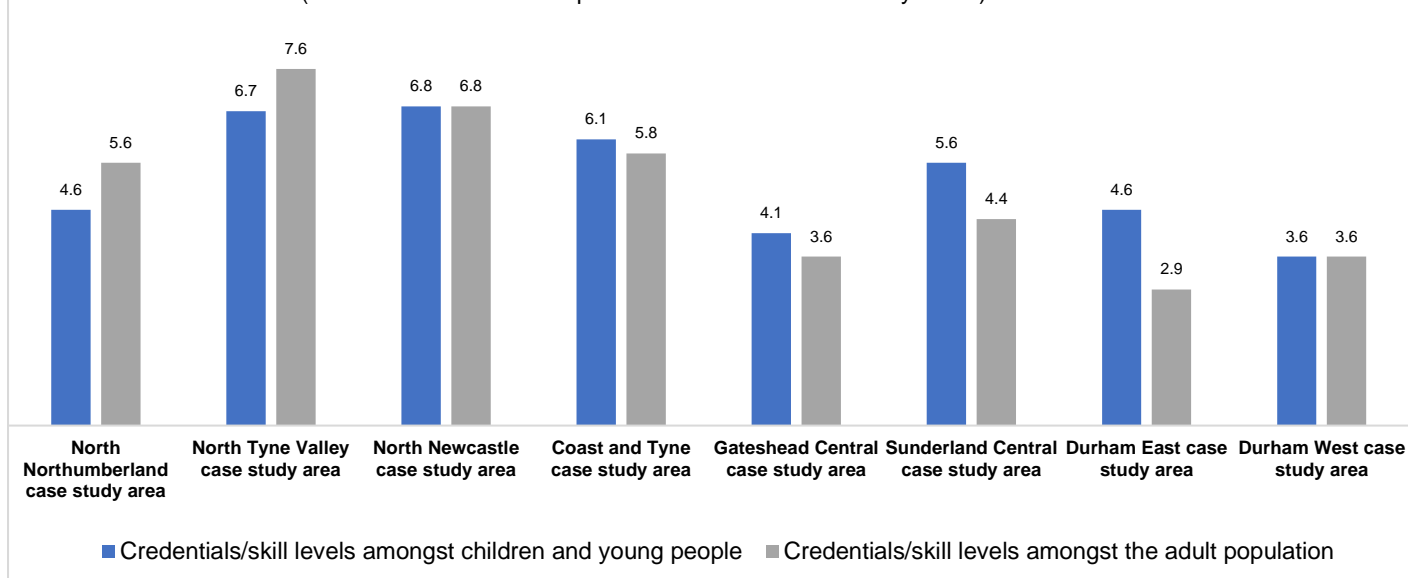
	Working population in wards and case-study areas	Business population estimates 2020	Number of start-ups (in last three years)	Number of businesses per 1,000 working population	Number of start-ups (last 3 years) per 1,000 working population	Start-ups as % of whole business stock
North Northumberland case-study area	33,319	3,020	611	90.6	18.3	20.2
North Tyne Valley case-study area	24,802	2,290	385	92.3	15.5	16.8
Newcastle North case-study area	57,096	2,175	970	39.7	17.0	42.8
Coast and Tyne case-study area	73,056	4,385	1,505	60.0	20.6	34.3
Gateshead Central case-study area	59,135	3,695	1,481	62.5	25.0	40.1
Sunderland Central case-study area	67,042	3,515	976	52.4	14.6	27.8
Durham East case-study area	51,837	2,640	794	50.9	15.3	30.1
Durham West case-study area	47,891	3,160	845	66.0	17.6	26.7

Localities have permeable boundaries

As shown in Figure 3, some localities have higher levels of human capital assets than others, but what cannot be determined is where those assets are employed due to commuting patterns.

North Tyne Valley and North Newcastle have the highest levels of human capital in the local population while Gateshead Central, Durham East and Durham West have the lowest. But this does not necessarily translate in a meaningful way into levels of start-ups in case study areas. Instead, other factors must be considered, such as the presence of an industrial estate, good transport and communications, business support, proximity to universities and a host of other potential factors.

Figure 3 Human capital in case-study areas
(EID indices of skills and qualification levels in case-study areas)



Mobility between areas by employees and entrepreneurs makes it difficult to make clear-cut area comparisons. In some respects, local social and economic portraits of the resident population in case-study areas (see full report for analysis) suggest that there is a correlation between local financial wealth and the strength of business vitality.

Clearly, if a large number of residents in an area have significant spending power, that can translate into local business opportunities to provide goods and services. Furthermore, local demographic characteristics of an area may have an impact on services that may be in high demand.

Assessing the strength of discrete local marketplaces has become harder to assess in recent decades with increased car ownership and the wider market reach of households. Similarly, the growth in online shopping has started to alter consumer behaviour.

This is not to say the impact of such factors on local marketplaces is entirely predictable. Indeed, there is growing expectation of a resurgence of local market niches which reflect either local demand or the strength of the local visitor economy. The likelihood, though, is that asset rich areas would benefit more than asset poor areas.

4 Discussion

It is easy to fall into the trap of feeling gloomy about the prospects for North East England when looking in the mirror of more 'successful places'. A recent report by Lord Sainsbury of Turville, for example, claims that for several decades the productivity gap between south-eastern areas of England and northern England has been widening.⁷

Enormous differences can emerge when measures such as levels of gross value added produced per capita are compared. According to Sainsbury, in London £51,000 is produced per capita compared with just £21,000 in North East England. The danger of making bald statistical comparisons such as these is that demands can be made of less successful regions to 'catch up'.

When London-centred government departments, party-political research units and independent think tanks position what is happening in south-eastern England as 'typical' or even 'normal', then comparisons with other areas can be misleading for several reasons.

- Firstly, such arguments lend themselves to value-loaded assertions or accusations that some areas are responsible for their 'failure' to secure the same level of success as other areas. The use of pejorative terms such as 'left behind places' signifies that such places were not fit enough to keep up. When regions are positioned as statistically separate microcosms – substantive imbalances in political and institutional power tends to be overlooked. In reality - political, economic and corporate decisions made in the environs of London can profoundly affect the capability and capacity of regions to shape their own destinies.
- Secondly, the social, economic and political dominance of London affects relationships amongst other regions. When decision making is centralised, as is the case in the UK, regions are obliged to conform to expectations required of them. Furthermore, they may be forced into competition with one another when seeking investment, devolved responsibility or beneficial economic arrangements from government. Producing competitive regional or sub-

⁷ Lord Sainsbury of Turville (2021) Levelling up the UK's regional economies: increasing the UK's rate of economic growth, London: Centre for Cities. [levelling-up-the-uks-regional-economies.pdf](https://www.centreforcities.org/wp-content/uploads/2021/07/levelling-up-the-uks-regional-economies.pdf) ([centreforcities.org](https://www.centreforcities.org)).

regional bids to win government investment in towns, the creation of freeports or to relocate civil service functions provide recent examples.

- Thirdly, while the UK government may have more clout in shaping regional policy than in some other European countries, regions or sub-regions are not powerless. If local conditions are right, businesses, local authorities and other influential local institutions (such as universities and non-departmental government bodies) can take the initiative and effect change. Once regions gain pre-eminence in one industrial field or another, they work hard to protect their interests. By default, this can worsen the situation for other areas by *extracting* assets. An example is the so-called 'brain drain' where people with skills that are in high demand are enticed to take up employment opportunities or set up businesses in other areas.
- And finally, as regional economic disparities widen, poorer regions become more dependent upon firms from other 'more successful' regions or via direct foreign investment to provide employment for the resident population. 'Successful' regions tend to consolidate success by farming out manufacturing or processing work to branch-plants in regions where production costs are lower, while retaining high-value and knowledge-intensive elements of activity in core areas. Consequently, greater dependence can fall on government to provide public-sector jobs to compensate at least in part for a relatively under-developed local private sector.

Taken together these factors can produce pernicious problems for less economically powerful regions, such as lower levels of skill, pay, employment security, poorer career prospects and lower levels of entrepreneurial vitality in the local private sector.

Because they have lower levels of control over their own economic destiny, such areas can be more vulnerable to economic shocks such as the global economic crisis of 2008 or more recently from Brexit or the Covid-19 pandemic. Such problems cause further reputational damage to regions.

Thinking positively

Too little is understood on what *dampens* entrepreneurial vitality in North East England. Adopting a regional 'deficit' model to explain this is an unattractive option – not least because it could play into the hands of those who criticise the region for failing to 'keep up'.

At this stage we can do little more than speculate about the reasons for lower-than-expected levels of entrepreneurial vitality. A positive way forward may be to ask *where are people's energies being redirected?* That is, in what other ways are people in the region developing and exercising the kinds of attributes which are needed to be entrepreneurial? Here we list some possibilities:

- **Absorbed:** where creative and imaginative energy is used in other contexts – working as employees in business and the public sector or by setting up or working for third sector organisations.
- **Dispersed:** where knowledgeable and skilled people leave the region to set up businesses or engage in innovative work for employers elsewhere because they have been dissuaded from remaining in North East England.
- **Unrecognised:** where business acumen and innovative ideas are being used but is below the radar of business support organisations. Examples might include small-scale local makers or traders on Etsy, eBay or Amazon.
- **Dormant:** where individuals' interests and potential are unknown until factors (such as redundancy, inheritance, the life course or serendipitous circumstances) collide in such a way to awaken or force interest.

- **Deflected:** where people, used to working as employees in undemanding jobs realise their skills and potential in other domains such as creative hobbies or community involvement.
- **Shared:** where people are in a position to make a conscious decision to work more efficiently in order to capitalise on other resources in the region, that is, to enjoy other aspects of their lives.

All of the above provide potential explanations for lower levels of entrepreneurial vitality and the development of creative business ideas. But none of them are 'negative' explanations – they are about the 'presence' of entrepreneurial and innovative potential, not its 'absence'.

If there are distinct economic, social and cultural factors in operation that contribute to lower levels of entrepreneurship in this region, then it is important to explore them in an original and positive way. Rather than assuming that lower levels of entrepreneurial vitality *is* a problem – we need to work out *where, when* and *why* it is a problem. And then we need to find out what the options are for resolving issues.

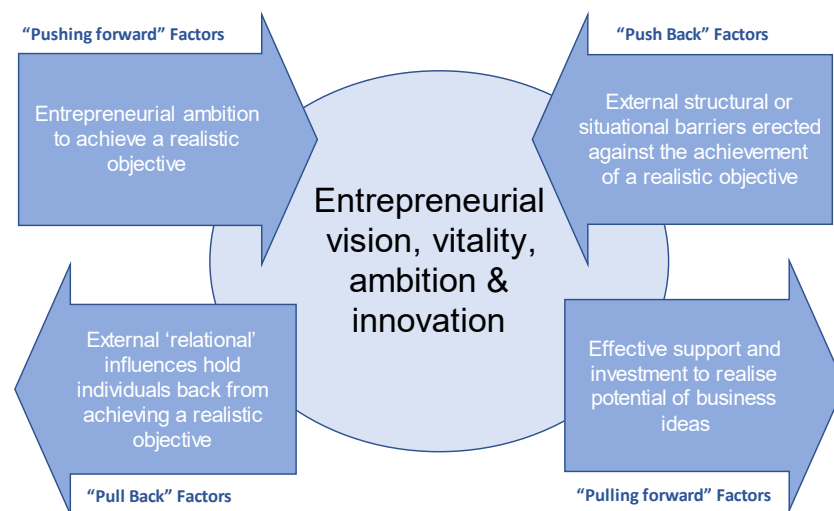
For example, it is not *necessarily* a problem that some businesses do not want to grow. For many businesses, the market could not bear such ambition, or growth might make businesses unviable. But it *could be* a problem when there are clear prospects for the businesses to grow but they lack the ambition, finance, capacity or support to achieve that.

Similarly, there is little point in imposing over-ambitious targets on areas where there are insufficient assets to achieve them. But that does not mean that these areas should be neglected or written off – their potential should be assessed with an eye on the assets they *have to hand* – not *what they lack* in comparison with other areas.

With these findings in mind, further qualitative research could usefully explore how business ideas are conceived and how success is defined and achieved in local context. While it would be useful to look for positive and compelling examples to demonstrate how successes are achieved, those factors that can undermine success should not be neglected.

To illustrate this, Figure 4 shows that analysis must consider the push and pull factors that benefit or undermine business journeys.

Figure 4 **Push and pull factors that affect entrepreneurial vitality**

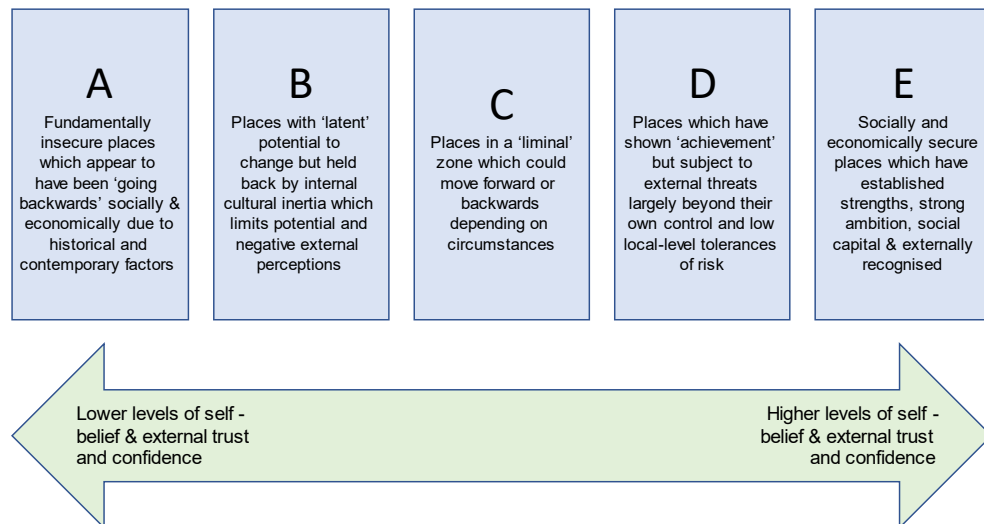


It is also necessary to look closely at the social and economic journeys and destinations of areas too. As this report has shown, some areas are rich in social and economic assets which may advantage them.

Figure 5 shows diagrammatically that places can be at different stages in their journeys. It is highly unlikely that any places would be positioned at the extreme points on the continuum in this region or any other. Nowhere is asset free and beyond hope (position A) and nowhere is invincible or beyond reproach (position E). Most places lay somewhere in between and, as this report shows, often they are statistically not that far apart.

Before drawing conclusions about what should be recommended in policy and practice terms for places in positions B, C and D, more needs to be known about what is happening on the ground. It needs to be known if area assets are fully recognised locally and externally and whether the right kinds of support are being offered and taken up.

Figure 5 **Area potential and entrepreneurial vitality**



It is not a question of matching assets with outcomes for specific areas and then imposing measures to see how they have done; instead, it is anticipated that the situation will be more complex because of interactions between places. For example, interactions between places are affected by commuter flows, out-migration of skilled people to other areas, the spatial proximity of urban areas and markets, accessibility of support and finance from other areas and so on.

Future research

We hope that this report makes a positive contribution to the debate on how to realise the potential of North East England socially and economically. The tone of the report is purposefully upbeat because the evidence shows that there are fewer reasons for the region to feel disheartened or apologetic about its achievements or potential than conventional social and economic reviews suggest.

The research raises many questions that cannot be answered with the available statistical data. We feel that more understanding is needed about people's entrepreneurial journeys in local context. Specifically, it would be useful to have a better understanding about career histories as employees before people set up in business; what skills and experiences they gained; where they got their original ideas to start a business; and, what circumstances led to the decision to get started.

We think that it would be useful to explore the creative and innovative processes surrounding the establishment of businesses; find out what local factors helped to make them sustainable; and, where entrepreneurs went for help when they needed it. Most businesses are small, but some grow. Surprisingly little is known about what factors trigger interest in business growth in local contexts. It seems to us to be a priority to learn more about this, so that support is provided appropriately to meet the needs of businesses with growth aspirations and potential.

Consequently, future research needs to be focused on micro, small and medium sized businesses, primarily in the foundation economy and be grounded in a rich understanding of local context. This would help to explore the configurations of local, regional factors and external economic and political forces that contribute to or detract from building successful businesses.

Getting a better understanding of these interactions could be helpful in policy and practice terms because it would help business support agencies to learn how to value achievement in context and then tailor future interventions that encourage entrepreneurship and creative business practice at the right level and pace.



Policy & Practice

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