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# When Life Style Entrepreneurs Establish Micro-Businesses in Rural Areas – The Case of Women in the Danish Countryside

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## 1. Introduction

Entrepreneurship in rural areas is a key to promote better living conditions in the countryside. Agriculture and production businesses have been the main economies in the European countryside over the last decades, but both not longer offering sufficient employment opportunities to the inhabitants. Unless you can commute over long distances many seem to be prevented from staying or settling in the rural areas. Especially for women it is difficult as the local labour markets mainly have been made up of masculine jobs. Women generally get higher educated than men and then may have even more difficulties in finding local, sufficient employment (Tanvig, 2010a). Nevertheless, this paper discovers new kinds of self-employed businesses in the Danish countryside often started by women that whether being caused by push or pull effects, may be a key to overcome the unbalance and make it possible for well educated people to live and newcomers to settle and contribute to revitalization. This kind of businesses have so far been ignored or underestimated.

Distinctions between rural and urban businesses abound in literature. The knowledge-based and more globally oriented businesses are concentrating in the metropolitan areas and rural areas characterized by local businesses in the decreasing primary and traditional industries. From this perspective the few new rural businesses, among which many are businesses in retail and local workshops, do reproduce the apparently weak local structures.

However, the border between rural and urban and local versus global in several ways is becoming blurred. Physically metropolitan areas do integrate former rural areas functionally which has addressed the notions of 'peri-urban' or 'rurban' areas covering a mixture. Albertsen et al., 2007; Sieverts, 1999 show how metropolitan areas develop into large functional city-regions made up of both built-up and rural areas that have also become places of consumption. Other literature (Champion, 1998; Johansen & Eskildsen, 2008) calls for attention to counter-urbanisation that is significant to some areas. In Denmark while a continuing migration to the city also goes on, an outmigration of people to smaller and medium sized towns and rural areas nevertheless has taken place in varying degrees over many years (Johansson & Rauhut, 2005; Aner, 2007). A unilateral migration from rural to urban areas does not cover the whole picture. Murdoch et al. (2003) show how rural areas

rather can be understood as 'a differentiated countryside', with growing differences due to a various set of local preconditions and how counter-urbanisation might work in the areas, e.g. the influx of the middle class. Such new spaces of 'rurality' might be universal but manifest themselves differently in the specific rural area.

The aim of the chapter is to explore new modes of rural entrepreneurship set in the interplay between the local and the global and urban and rural. The rural might be peripheral in the physical sense but new global market conditions, increased mobility, new technologies and the specific use of rural areas open novel possibilities for entrepreneurship in rural areas and challenge the notion of rural business. It is this interplay and the possibilities and barriers to take advantage of these new spaces that the chapter explores in the study of micro-business and especially female self-employment in the Danish countryside. We search for different kinds of female entrepreneurship and discuss how they contribute to rural development. The chapter is based on three studies all looking into new business in the Danish countryside. In total 105 rural entrepreneurs have been interviewed.

## 2. Previous research

According to statistics the entrepreneurial rate is lower in rural areas than in city areas. But a disaggregation and closer examination leads to a more blurred picture. The female entrepreneurial rate is relatively higher than men's in rural areas (Tanvig, 2003), and new mapping (Erhvervs- og Byggestyrelsen (2010); eStatistik.dk (2011) reveals that the largest entrepreneurial rates (in 2008) are to be found on a couple of small islands, with female entrepreneurship in front, and that entrepreneurship in the periphery is not as affected by general crisis (2010) as it is in city areas. Also there are indications that incomers nowadays start business in larger numbers than locals (Persson et al., 1997; Bosworth, 2009, Stockdale, 2006). Bosworth (ibid.) even suggests the notion of counter-commercialisation when explaining incomers' entrepreneurship in rural areas. A broader definition of entrepreneurship than being applied in statistics may certainly show an even more blurred correlation between localisation and entrepreneurship. Other studies demonstrate that like the need of a nuanced approach to 'rural' there is a need to a nuanced approach to entrepreneurship in rural areas, obviously affecting each other. At least three essentially different modes of entrepreneurship have been identified (Bosworth, ibid.; Tanvig, 2010b): local entrepreneurs (people having lived in the area for many years also tend to set up old businesses), managerial entrepreneurs being incomers having planned to set up a business and situated their business in a rural area due to specific local comparative advantages, and opportunity entrepreneurs setting up new businesses having discovered opportunities after having settled. They do act and contribute differently in the local space and community, some driven by traditional business motives and others rather by private, social and cultural motives. In this paper we search for different kinds of entrepreneurship and how they contribute to rural development.

Warren-Smith (2009) stresses that the incomer businesses might be more inventive and in new sectors than local firms but they do not add to the rural area. They do not take part in strengthening the community as does the local business. This can be in the form of sponsorships and being active in local organisations. Stockdale (2006) finds that incomer businesses are associated with little new job-creation due to self-employment but at the same time their higher human capital and skills attained outside the rural area are crucial

for rural change and revitalisation. Yet, most incomers do not get the opportunity to use their skills in the rural area and to support rural development as there are no employment opportunities for them (Stockdale, 2004). In this chapter we look particularly into the lifestyle entrepreneurs (locals and incomer businesses) and how they contribute to rural development, and as shown later on we can make additions to the abovementioned. When analyzing life style entrepreneurship in a rural setting, you discover a spatial interplay that calls for attention to more than the individual entrepreneur's self-employment.

The complex interplay between new spaces and entrepreneurship affects the notion of rurality. The interrelation of 'spaces of flows' and 'spaces of place' (Castells, 1996) can explain how locality and globality can meet differently resulting from different networks and variations and position the local areas and societies differently. This is the main explanation why 'rural' no longer shall be simplified and analyzed as the counterpart of 'urban', or the agro-environmental zone, or regionally as a product of e.g. distance, physical accessibility or population density.

Following the same line, for instance Ray (1999) argues that 'rurality' as such does not explain very much and rather the conception should be 'different local communities in rural areas'. Ray also introduces the concept of 'neo-endogenous' development and how different local capitals can be mixed and areas can be transformed by local/extra-local agency. Disparities emerge from various mixes of local capitals, local capabilities and how locals act in a 'neo-endogenous' model consisting of both local horizontal and extra-local vertical networks. 'Rurality' is reflected by the physical local capital or the bio-physical element (nature, land) and how the locals do make use of and adapt to this element. This can, however, be done in numerous ways leading to growing local disparities. In the context of rural change, differentiation and 'neo-endogenous' governance it is natural to ask if and how new local economies and employment is affected or do affect rural development. In this paper the focus is on the new micro-businesses in the rural area.

Agency in the form of entrepreneurship and how another mode of entrepreneurship than practiced by 'economic man' can benefit from rural values (nature, land et al.) is theoretically highlighted by Anderson (2000); Jack & Anderson, (2002). Here the notion of the 'peripheral mode of entrepreneurship' is suggested to best describe a tendency where immigrating, well educated people settle in a rural area aiming at finding quality of life close to nature, and who soon identify and realize new economic opportunities. They are commodifying 'the otherness', the local amenities and very often 'left over qualities' in such a way that a local revalorizing is said to take place. They do build up new symbiotic relations between man, economy and place. The embeddedness includes local relations that can be measured in more than one way, e.g. both socially and physically. 'The economic man' does not in the same way relate to and integrate the local social and physical context, unless this offers a comparative economic advantage for his business. For him business and economic growth goes in front and success has to do with mere business rather than quality of life. Both may hold strong vertical relations. The first - with both local, horizontal as well as vertical relations - suggests how locals can hold down the global for the benefit of development at a local level and therefore how individual micro-business can play an important role in the transformation of rural areas. So to speak, initiatives at a micro-level do draw upon and affect meso-level (the local environment and community).

Heilbrunn (2010) followed the same lines when demonstrating different spatial contexts and relationships behind entrepreneurship. She distinguished between localized relations from space and relations that are place-bound. Relations from space may be localized or held down by local infrastructural or economic incentives, in her interpretation called 'economic capital' that can be at a high or low level. Relations from place can be measured in the shape of social capital, which also can exist at a low or high level. The most prosperous local context for entrepreneurship is when both forms of capital are represented at a high level. But different combinations can be found. When e.g. social capital is high and economic capital is low, the local asset for entrepreneurship is mainly place bound and lacking from economic space-bound correlations.

We can picture many combinations between place and space as well as weak ties to either place or space may be represented, new businesses being desert islands in the local area because of lack of local social capital or new businesses that are not economically sustainable or able to perform extra-locally because of lack of economic relations. However, we also need to supplement Heilbrunn's (2010) model to understand how entrepreneurship can bring forward dynamism in the local areas, and bridge place and space. In our work in the rural area the approach to 'place' must also include how physical assets (nature, land, local surroundings) can influence entrepreneurship in new ways.

Going back to Castells, Ray and Anderson et al., the prerequisite is still networks that work in-between and relate place and place based assets, with vertical space based conditions and opportunities for economic development. This also calls for attention to specific networks and the individual entrepreneurs' outreach.

In this chapter we therefore ask the following research questions: Can disparities between entrepreneurship (especially between female entrepreneurship) in rural areas be found, and if so, what may cause crucial differences? Why and how do the females make use of the new spatial framework in a rural context and (how) do they contribute to rural development?

### 3. Methods

The chapter is mainly based on three studies on new businesses in rural areas carried out as qualitative interviews. They are combined because of their different perspectives on similar questions, namely whether and how new spatial frameworks do affect entrepreneurship in rural areas emphasizing female entrepreneurs, because of statistical findings as mentioned beforehand. The first interview survey is a broad overview of new businesses in a specific rural area looking into the existence of entrepreneurship and which modes of entrepreneurship you might find. The second survey focuses on female entrepreneurs in a rural context and the last survey on in-movers to rural areas that have set up new businesses. The first and the third study include both males and females and therefore allow us to make comparisons related to gender. However, because of different methods used in the three studies it is not possible to take into account which influence different regional dimensions may cause. The first two studies took place in Jutland around the town of Vejle in Jutland and the last in rural areas within the southern periphery of the Sealand region; the former Storstrøm County.

The Vejle area is situated in the eastern part of Jutland and is regarded as one of the growth areas in Denmark (where study 1 and 2 took place). The municipality of Vejle covers 106.383

inhabitants and 1066,32 km<sup>2</sup>. The largest town is Vejle with 51.341 inhabitants, and apart from a few smaller towns the rest of the population is situated in the rural areas. Although the Vejle area is characterized as a growth area in Denmark, there are disparities between the most western and most eastern parts of the municipality for historical reasons. Generally the most western part can be characterized as being more rural than the eastern. Two minor rural case areas, representing east and west, were selected for the first study, whereas for the second females from rural areas in general in the municipality did take part. In the case areas, Smidstrup-Skærup and Thyregod-Vester, lived 2300 and 2500 people in 2008 and approximately; half of them in small villages and another half in the open land. However, we expected to find disparities reflecting the structural differences when looking for entrepreneurship, we rather found that entrepreneurship in the two areas were pretty similar indicating that entrepreneurship not solely is affected by local conditions (Tanvig, 2010a).

The Storstrøm County (where study 3 took place) now part of the Region of Sealand<sup>1</sup> comprises an area of 3.398 km<sup>2</sup> and has 262.781 inhabitants. The area has continuously experienced a fall in agricultural and manufacturing employment. There has been a rise in building and construction industry but the great growth rates in business services occurring in the rest of the country has not taken place here (Lundtorp et al., 2005). The area has had a marginal position for many years but within the last 10 years the number of newcomers to the area has been growing and so has their incomes and education level (Aner, 2007). Characteristically the area is gradually becoming part of the metropolitan labour market (Lundtorp et al., 2005).



Fig. 1. Map of Denmark. The red highlighted areas are where the interview surveys took place.

<sup>1</sup> In 2007 the counties were abolished and bigger regions as well as municipalities were established as part of a structural reform.

The first survey carried out as in depth interviews counted 35 new businesses which were randomly selected, but quantitatively representative, among newly VAT registered businesses in two small communities mentioned above (Tanvig, 2010a). The second survey consisted of 40 interviews with female entrepreneurs in rural areas, around 15 from the former mentioned survey and around 25 being members of a newly established network of female entrepreneurs in rural areas (Tanvig, 2010b). Both studies thus allowed all kinds of businesses, sizes and being set up by locals as well as newcomers. Nevertheless female entrepreneurs turned out to be over-represented in the first study and in both studies self-employment and lifestyle entrepreneurship certainly dominated regardless of which kinds of businesses they carried out.

The third survey consisted of 30 in-depth interviews. To become updated 10 of these respondents were selected for follow-up telephone interviews later on. The respondents were selected through a network of micro-businesses started in a specific county on Sealand. All of them were members of this network and were in-migrants from the city to the countryside within the last 6 years. In this study the respondents also turned out to mainly be females motivated by lifestyle considerations and all being self-employed. Selecting respondents through the network of micro-businesses does not automatically give a full representative picture of rural micro-businesses in the area as most likely more hobby related activities and locally oriented micro-businesses have not joined the micro-network and there could be an overrepresentation of full-time businesses in knowledge sectors. In this study it has not, however, been the intention to provide a fully representative overview of the phenomenon of newcomer businesses. Rather the aim was to get an insight into the problems and possibilities for the newcomers in starting businesses.

In two of the studies (1 and 3) respondents were interviewed at their dwellings, and in the second study (among members of the association), respondents were also interviewed at the meetings of their association. All were semi-structured interviews and most of the interviews were recorded. The first and second study took place in 2009-2010. The third study took place in 2007 and follow-up interviews in 2008.

#### **4. Results**

In the three studies, we discovered many new businesses; many more than were officially recognized. A huge variation in sectors was represented and only a couple of new businesses were to be found within the agricultural sector. In the two studies (the first and third) which were not focused on female entrepreneurs, the tendency was clear. Most were females and their rate of entrepreneurship in the rural areas was higher than the average of female entrepreneurship for the whole country. Almost all had settled in the rural area before deciding to start up a business of their own, and their businesses were also situated in their dwellings. By doing so, from pull or push reasons, they aimed at becoming flexible, independent, achieving better quality of life and spending time in the rural areas. Most of the female entrepreneurs in the three studies were certainly self-employed and engaged in lifestyle entrepreneurship with business activities that were embedded in everyday life and adapted to their rural dwellings.

Although there were similarities in the three studies and the respective entrepreneurs, there were at the same time distinctive disparities between them. In particular the results revealed

further distinctions between the locals and the newcomers to the rural areas, but also between newcomers setting up businesses from scratch usually realizing a hobby or with experienced backgrounds; transferring their professional experiences to the rural area. The studies included both males and females, recalling that in two out of the three studies men were included. However, in the following we are focusing on the female entrepreneurship. Local male entrepreneurs usually were skilled craftsmen that had set up businesses within the older sectors, acting like 'the economic man'. In-migrating male entrepreneurs did not adapt their businesses to the regional and local markets but stayed focused on the city in contrast to the female in-migrants businesses that focused more on adapting to the regional markets in order to better combine lifestyle considerations with business.

#### 4.1 Locals

Characteristically the local females were older, possessed older qualifications and often shorter years of formal education compared to in-migrated females in the studies. They had spent many years on the labour market and many had withdrawn from demanding and maybe also uninspiring local labour markets to become independent and obtain more flexibility in their every day life. Many of them also wanted to realize a dream of setting up a business related to their hobby and work with more passion. That also became possible among others because children had left home and left free space and lower stable income needs.

Most of them started businesses within a different industry than they had worked in in the past. For instance, many had previous working experiences in teaching, health care or administration, and started businesses mainly in therapies, crafts, retailing and e-shops et al. They started from scratch having no business experience in the sector from before. Unlike the newcomers described in the following paragraphs, the locals did not articulate the rural place as an amenity or an important part of the business concept. Living in the local area was important, nevertheless, and they were active in local community life. When the rural dimension was articulated in relation to their businesses, it had to do with lower costs or was negatively portrayed like distance to customers.

Their business activities were distinctively small. The local women all had a wish for further development of their businesses, but at the same time they were unresolved about their business plans and strategies. They did not make use of the formal advisory system, and did hardly know its offers. This indecision was also evident in the association that was started by a couple of local females, who sought a network of female entrepreneurs in similar situations for exchange of experience. Through advertisement they attracted other female entrepreneurs from rural areas (also locals). Many meetings took place, and inputs were also offered from external parties. Despite that, the network was about to fall apart, because, among other reasons, the females were unresolved about the direction for the network's work; whether it should be mainly social arrangements or the focus should more strategic among others by ensuring a better connection between lifestyle entrepreneurship, the location in the rural area and a successful business. The latter seemed to demand recognition of their situation, strategic thinking, and choices that they were not ready to take. A few social events kept the network alive. Although, these women definitely carried out lifestyle entrepreneurship, they did not make suggestions for development and actions that strengthened lifestyle entrepreneurship so it could become more economically viable.



*Laying the table - Shop 112.* Advice and sale/e-commerce with articles concerning table arrangements is started by a local middle-aged woman that has realised her hobby. Her children have left home and she has opened a shop by her dwelling. She has a long working day keeping the shop open also after hours to keep the customer base mostly made up of her social circle. The e-commerce is then handled on top of this. The shop is not running well economically and she is dependent on her husband's good income. She feels isolated in the business community as she has little time to participate in events. She takes part in the above mentioned association when she can and this mainly for social reasons. Her business concept and how she could achieve more time in her daily life while also improving the bottom line were talked over in the association and she was advised by an external advisor to focus the service, make the homepage more streamlined and attract new customers from outside. However, she has not taken new steps because she feels insecure how and whether she can mix the social life with making rational decisions and improving the bottom line.

## 4.2 Newcomers

The newcomers moved to the countryside because of nature and community life. Distinctive is that settlement in the area took place before starting business. For only a minor part becoming self employed or setting up the new business on a part time basis was part of the move to the countryside. A group of newcomers started out in the local labour market where another group commuted to the city labour market, before becoming self employed or setting up the part time business. The first group (newcomers 1) tended to start from scratch whereas another group, very often higher educated and experienced, tended to set up businesses within their professional fields; transferring their professional experiences to the rural area (newcomers 2).

### 4.2.1 Newcomers 1

This group started business in private services and retail, often marketed through internet and some also running e-shops. For these newcomers the business activity was not a straight continuation of their prior job employment or education but build on some competences from it combined with hobbies or interests. To many the new activities were initiated after having settled. Several had been working in e.g. public services as teachers or in the health system and their new activities were related to e.g. therapies, web sale of clothes or arts, alike the local females abovementioned. Their businesses were small as well and often combined with part time salaried jobs or social or maternity benefits. Most of the respondents were females with young families. The newcomers were especially seeking the local community in the rural area.

Compared to the locals this group of self-employed are more explicit about the use of 'the rural' as an advantage and reason for starting business, among others because of vacant building capacity and the surroundings in the new rural dwelling being attractive to customers. So they are pulled by lifestyle considerations, though, many are at the same time pushed by a difficult local labour market. Particularly, in the third study several incomers had the intention to work in the local labour market, however, often the local labour market could not assimilate them. Several of them had experienced sporadic employment or long

*Patchwork sale and courses.* A woman and her young family have recently moved to a disused farm which is localised in an area characterised by great natural beauty. An unused building in combination with the attractiveness of the place made her want to realise her hobby as a new area of business: show room, course activity, e-commerce with patchwork articles. The opening hours are structured around when the children come from school. During school hours she has salaried employment close by but the plan is to develop the business to become full-time. Her husband has salaried employment in the local area but also works to develop business activities in sale of plants from the farm. She feels somewhat isolated as a female entrepreneur but is very active in the local community

term unemployment and some had to be retrained or had to commute very far everyday to find employment that fitted their present skills. They were too well educated and the labour market in turn sought lower skills, if there were job openings at all.

*The language school.* A teacher in German and Danish also moved to a disused farm. She had found a job in the closest town teaching refugees Danish, however, the school closed and for a similar job she would have to commute long distance everyday. She decided to start teaching German tourists Danish while having a part-time job doing accounting for a local workshop. Inspired by other self-employed women in a network for micro-business she started to offer tailor-made German classes for businesses. She initially developed German courses for the local ferry employees but has now jobs around the country teaching ferry employees' part of the same company at their other routes around Denmark. Her plan is to renovate an unused stable into a course facility so she can also run overnight courses from her house and collaborate with a local hotel for accommodation so she will not have to be away from her family too much. This plan has, however, been put on hold as the local school is closing and her daughter will have to be driven far to school. She therefore strongly considers moving to a larger town instead.

Initially this group of self-employed did not have experience with private business and they generally had weak market relations in their start-up. A large part had not made use of the external advisory business services or looked up resource persons actively. However, a few of the females had been in contact with the local advisory services (municipal/regional), but they did as well experience a mismatch between their needs as self employed in new sectors and the lifestyle mode of entrepreneurship and the systems approach, which seems to be matching 'the economic man's'. They felt the advisory services did not take them seriously. These women instead joined a network of micro-businesses started by a newcomer in the area. This network is by contrast described positively. The participants feel they have gained new ideas on how to run business in new sectors in the countryside by e.g. running e-commerce, finding customers and business partners in a wider area and to diversify the customers to also include businesses or the public services instead of only private servicing.

These newcomers were very active in the local community life to create activities for them and their children. Unfortunately, in the third study several of the younger families consider moving to a larger town for the sake of their children as the local schools are closing and there are too far between playmates and leisure-time activities.

#### 4.2.2 Newcomers 2

The other group of newcomers did not opt for finding local employment after moving to the rural area but planned to commute to the city for their employment. This group of entrepreneurs are middle aged with no or grown-up children. Many were academics and working in the field of media and communication (journalists, advertising/marketing experts) or they were employed in broader business consulting (engineering, biotech). They moved to the rural area to live in an attractive dwelling close to nature, have more freedom and peace and quiet in their everyday life. However, this group soon felt that they spent too much time on congested highways commuting to the city from their new dwelling and never got time to enjoy nature and rural life. After some years they saw self-employment as the only way they could stay in their field while also having a flexible everyday life without too much commuting. They started or stepped up freelance activities beside their employment which many gradually downscaled. Their spouses usually continued commuting to the city. Common is that this group has stayed self-employed and not employed any staff as the whole idea behind self-employment was to stay free and flexible which is a quality crucial in the adaptation to a more regional business.

Compared to the former studies these females tended to 'recycle' their skills and experiences obtained from the education or labour market in the city that they left. Very often they also kept in professional contact with former business partners, colleagues and customers in the city. In other words, their start-up was founded in a large extra-local network of business contacts and sparring partners. Also they kept on drawing upon external services and support often carried put by people they knew personally.

However, with all customers and business contacts in the city, they all struggled with how to minimise the commuting and how to find customers and business contacts closer to their new dwelling. Especially the people in advertising missed the proximity to graphic designs, text writers, publishers etc. This group did grasp the situation strategically and offensive within the lines of their business strategies. In contrast to the former reported locals and newcomers that rather stood at a standstill or channelled their needs into social networking like local community activities or the local association mentioned, this group, newcomers 2, gave priority to continuously market and to stay in touch with their former colleagues and partners in the city, at the same time as building up new business relations locally and regionally.

*Tech Transfer.* A respondent formerly employed in the biotech industry in the capital city as a tech transfer consultant, became gradually self-employed after realising that commuting to the city everyday was not what she wanted. She loves her new big house in the countryside, her view and the peacefulness. She describes the process as going from high tech to low tech consultancy. She today advises the regional pharmaceutical industry mainly in marketing, building of networks, headhunting employees and in training. She also works with the regional administration in applying for EU funding and is presently a project manager for an EU regional fund project where she has also used her former relations to partners in Europe. She also works with the regional hospitals in attracting foreign doctors.

To get access to locally or regionally located business partners and customers several of the respondents in the study have set up new networks. One network is dedicated to regional

entrepreneurs within a particular sector (advertisement), another to small businesses in a particular municipality and one to micro-enterprises in general which has grown to cover the whole of Denmark. It is this network some 'newcomers 1' in private services have joined. These networks seem to support the adaptation by building links within sectors and by exchanging experiences on how to both diversify the kind of customers but also the product. Instead of a more narrow business consulting, the respondents often have also diversified their product to also fit the regional market and have been able to better connect their lifestyle motives with making money.

It is distinctive that the few males in the third study have kept doing 'city-business' focusing on the city market and not tried to adapt and find customers regionally and locally. It is the females who find commuting to the city a major difficulty and have worked to overcome this by finding regional business partners/customers and adapting the product to the regional market. Becoming self-employed has been a viable option for these knowledge workers to create their own employment while at the same time spending more time at their dwelling and in nature. Common is, however, that they do not take much part in village life and local community activities. They moved to the countryside for nature and peace and quiet. They do not contribute to reviving rural social life but their establishment of regional business networks shows important for their own business adaptation and also for the more isolated new businesses in extending their markets and developing their product.

## 5. Discussion

### 5.1 The life style entrepreneur

The respondents in the studies have set up new business activities in the rural areas in the shape of self-employed life style entrepreneurship. They started business activities for social or lifestyle reasons. They are motivated to set up new businesses more or less drawing upon rural assets. The self-employed activities show to be in new sectors than the usual rural businesses. The new activities are different kinds of services, therapies, handicrafts, e-shops and more knowledge based businesses that can be carried out at distance from their customers.

The studies reveal an overrepresentation of women compared to the country as a whole. Opposite the few male entrepreneurs found, the female entrepreneurs have been motivated by lifestyle and everyday considerations for starting business. Males rather tended to start ordinary workshops or stayed 'city businesses', indicating that a rural place and a more flexible everyday life do influence females as entrepreneurs in particular. These females' approaches to business can not be explained from the theories that appoint 'the economic man' as the key actor. His (the economic man) aim is to set up a firm with economic growth. 'The economic man' addresses two kinds of entrepreneurship according to theories: the local entrepreneur within old businesses operating at the local market or the managerial entrepreneur that in a rural setting very often has moved to the area because of gaining particular comparative advantages to the business (eg. as a source of input like raw materials or for cheaper labour etc.).

The females in our studies rather seem to be opportunity driven, some of them setting up businesses without professional background, but all of them encouraged from social reasons in relation to the settlement in the rural area. They may be better explained by the

‘peripheral mode of entrepreneurship’ (Anderson, 2000), although many of them are not explicitly commodifying ‘the otherness’ and ‘left over qualities’ in the rural setting, but implicitly by the convergence between living in the area and the adaptation to business.

The lifestyle entrepreneurship is both promoted by pull factors and push factors. A wish to have a more flexible everyday life and time at the rural dwelling and in nature while at the same time being pushed by a too stressful commuting job or a boring or difficult local labour market. When realizing the difficulties in integrating into the local labour market or having no time to enjoy the rural dwelling because of being stuck on congested highways, the newcomers see starting as self-employed as an option to combine lifestyle with also having a career. Self-employment is an option and, for some, the only option to combine lifestyle and everyday life with a continued professional life as an alternative to long commuting, unemployment or a hard and uninspiring job (see table 1).

	<b>Locals</b>	<b>Newcomers 1</b>	<b>Newcomers 2</b>
<b>Age</b>	Middle-aged	Mainly young families	Middle-aged
<b>Educational backgrounds</b>	Skilled and short educations	Skilled and short to medium tertiary educations	Medium and long tertiary educations
<b>Social situation</b>	Having spouses, no children living at home	Having spouses (commuting or running own businesses) and children living at home	Having spouses (commuting long distances) and no children living at home.
<b>Business characteristics</b>	Very small, starting from scratch, services, retail, therapies etc., business strategies unresolved	Small, starting from scratch, services, retail, therapies etc. Tend to draw upon comparative advantages from rurality, business strategies slightly more resolved	Following tracks form education or former occupation, more are full-time occupied with their business, more are knowledge based businesses at high level, more are aware of having business strategies
<b>The new business and the rural area</b>	A push-effect from previous employment is often important	A pull effect-from the new environment after having settled is important as well as a push-effect from previous employment	A pull-effect from the new environment after having settled is important as well as a push-effect because of long commuting distances

Table 1. The main differences between the three typologies of lifestyle entrepreneurs.

## 5.2 Finding the right combination

All the female respondents surely represent self-employment and lifestyle entrepreneurship with business activities embedded in everyday life originating in their rural dwelling. However, the studies also show that it is not easy to juggle the different motives; - to find the ‘right’ combination between running a new business, making room for lifestyle and everyday life while also making a living. The life style entrepreneurs are diverse and have

different starting points and competences for running a business, have different ideas of what rural life is and consequently contribute differently to rural development.

The two opposites are the locals realising a hobby and the newcomers recycling their tertiary educations and professional backgrounds from private business into knowledge businesses in the countryside. These groups are both middle-aged with children having left home; a situation launching a new beginning for both groups, - realising a hobby or moving to the countryside. The newcomers have a higher education, a professional background combined with business experience, a product and extra-local networks giving them a very different starting point for business development. The locals together with the newcomers starting from scratch feel invisible, not appreciated as a business entity or recognized and like 'a desert island'. They also have weak business relations to other firms. Many of these are at a standstill where developing their product and extending their market is necessary if they want to make a living from their activities. In contrast, the newcomers depending on only city relations struggle to adapt their business to also include customers closer to their dwelling in order to bring more flexibility and freedom into their everyday life.

Crucial differences between the lifestyle entrepreneurs are related to their drive and efforts in building both horizontal and vertical relations which characterises the more successful businesses; the combination of customers and networks in the city or nationally with a broader array of services matching a regional market. To run a lifestyle business that also makes a living means adapting into a business that combine networks at different scale and different services and activities. Not all the lifestyle entrepreneurs have been able to develop their product and extend networks and markets or have even tried to. It seems that lifestyle considerations can also stand in the way for business or rural development. Being active in the local community and wanting a more flexible life while also having to develop a business that can compete and make a living are activities difficult to combine. Opposite running a successful business and spending the little leisure time left enjoying peace and quiet leaves little room for taking part in the strengthening of the local community. The locals and newcomers with young families contribute to the strengthening of the local community by being active in village life. As Warren-Smith (2009) argued, it is the locals that contribute to rural development and the newcomers do not; however, this study shows that they take another important role. They extend the business networks and add new inputs to the business community in how to run new service businesses. In this way they add to rural development and get to use their higher skills in supporting rural change as Stockdale (2006) looked for.

It is the newcomers that more explicitly express the rural as a factor in their business. It is important for them when moving to the countryside and it is a major factor why they start business (vacant stables, the possibility to spend more time in the rural area) and it is also a major reason for changing their business activities and going far in adapting (looking up regional customers and setting up regional business networks). The locals might not speak of the 'rural' but also emphasise the importance of their local area and community. But the local (rural) area also means different things to different people. For the locals and newcomers 1 community life is important where the rural means nature and peace and quiet for the middle-aged incomers. They do not contribute to the rural development in the sense of strengthening the local community but they 'hold down the extra-local relations' adding to the 'economic capital' (according to Heilbrunn, 2010) opposite the locals and

	<b>Locals</b>	<b>Newcomers 1</b>	<b>Newcomers 2</b>
<b>Local social networks</b>	Participation was demonstrated and important	Participation was demonstrated and important	Participation seemed low
<b>Local business networks</b>	Participation seemed low	Participation was medium. Was there more business oriented networks available in the area as in the third study, they more willingly than the locals participated.	Participation was demonstrated
<b>Extra-local business networks and other professional relationships</b>	Participation seemed low	Participation medium (see the above)	Participation seemed high

Table 2. The participation in different networks.

newcomers 1 that mainly work in the sphere of strengthening the social capital. The contribution into strengthening the local community and the social capital showed very important as several newcomers with young families considered leaving the rural area altogether as the local community disintegrated due to school closings. So both contributions; the social and economic are important. At the moment very few entrepreneurs practice both.

### 5.3 Rurality and 'new rural space'

The self-employed activities carried out by women show to be in many new and very often more service based industries of which some are knowledge-intensive sectors compared to the usual rural businesses. Many of the female entrepreneurs go far to adapt their businesses by diversifying activities and combining them with some salaried employment and freelance. Their contribution to the transformation of rural areas is important, although usually overlooked, because they do not appear and can be measured like a conventional enterprise. Despite being self employed, - theories suggest that these lifestyle entrepreneurs strategically could take part in the transition of the rural areas by combining and recombining place/space through local/extra-local exchange in their businesses.

Both relations to 'place' and 'space' can be found among the female entrepreneurs, although none of the groups did practice the 'right' combination following the lines from theory strategically, at least when studied. Many have not positioned themselves in an ideal combination of 'space' represented by extra-local networks, and 'place' either represented by local, horizontal networks or taking advantage of local capitals such as e.g. local amenities. All three groups do not attract and transform as much extra local business 'energy' to the local community, and thereby new business life, as they could. To the locals as well to newcomers 1 it seems relevant to extend the business horizon locally and also to get extra local relations. But to the locals it at the same time seems relevant more explicate to draw upon rural assets in their business and bring them forward to the market. To newcomers 2 it seems relevant to work upon building up local social networks to become embedded and spread the ripples.

Taking advantage of the new economic space by combining local comparative advantages and building up both local and extra-local networks lead to rural revitalization according to theory. Many female entrepreneurs, both locals and incomers, have taken the first steps, but they should be stimulated or assisted to go further. Some of them needs to improve both 'place' and 'space' relations, others either 'space' or 'place' relations, very often by building new networks, demonstration of local assets and best practices. Most of them will keep on being self-employed but with an improved bottom line, some may increase employment, most important to all and the 'new rural space' is the fact that many more may be treading the same path, if knowledge about the opportunity and a supportive framework is being established.

Our studies demonstrate that the formal advisory system do not acknowledge these new lifestyle entrepreneur. By ignoring lifestyle motives or the social-dimensions behind female entrepreneurship, they miss out on a new kind of business development that could have important impacts on rural revitalisation. The lifestyle entrepreneurs must organize their own new networks to find a supportive environment. Following the lines from the theories abovementioned, the gaps whether exemplified by weak local ties or weak extra-local relations surely could need support and hereby have a greater impact. Exchanging knowledge and taking part in networks with other similar businesses shows necessary for being able to juggle the different motives and develop a viable combination of lifestyle and economic considerations as the formal advisory system does not yet see a potential in these.

These studies also show new dynamics in the rural landscape as questioning the very concept of rurality. Apparently there is a fusion between what otherwise has been analyzed as two separate 'worlds' the rural and urban, so that the concepts 'peri-urbanity' or 'rurbanity' can also make sense in this context. They describe urban physical expansion and assimilation of the rural, our studies suggest, however, a marked difference and a border: the rural component is decisive for the settlement of the new entrepreneurs, and the balance between 'place' and 'space' in their business concepts is crucial to them and the rural areas. If the balance will be moved primarily to be 'space'-driven, like agglomerative economies would tend to, danger of draining and disregard of local resources would happen, and weaken the attractiveness and thus the possibility of establishing the new business arising from the new forms of entrepreneurship. The balance on this knife edge is critical to success for the 'new rural space'.

## 6. Conclusion

In the chapter new modes of rural entrepreneurship has been explored. Results show that it is women that mainly take advantage of and respond to rural amenities and living as a motivation to start business in the rural area. Their new activities can vary between full-time business to a combination of several services and also salaried employment. Therefore their activities very often are not measured as real business in the shape of a genuine firm like the 'economic man's' and can not always be found in the general statistics. Despite of that all these new activities do hold a great potential to rural development.

The female respondents all represent self-employment and lifestyle entrepreneurship with business activities embedded in everyday life originating in their rural dwelling. They are opportunity driven, some of them setting up businesses without professional business background, but they are all encouraged by everyday life and lifestyle considerations. The female respondents take advantage of the new rurality by combining lifestyle considerations



with new sectors to or new ways of handling business in the rural areas. The self-employed activities carried out by women show to be in many new and very often more service based industries of which some are knowledge-intensive sectors compared to the usual rural businesses. The business activities are in e.g. media, health and therapy and business services. Many of the female entrepreneurs go far to adapt their businesses by diversifying activities and combining them with some salaried employment and freelance.

It is the newcomers that explicitly express the rural as a factor in their business. It is important for them when moving to the countryside and it is a major factor why they start business and in the way they adapt their business. The newcomers also have a higher educational, business experience and extra-local networks giving them a very different starting point for business development. The locals together with the newcomers starting from scratch feel invisible, not appreciated as a business entity or recognized and like 'a desert island'. They also have weak business relations to other firms. Many of these are at a standstill where developing their product and extending their market is necessary if they want to make a living from their activities. In contrast, the newcomers depending on only city relations in their start-up struggle to adapt their business to also include customers closer to their dwelling in order to bring more flexibility and freedom into their everyday life. The newcomers tend to pave the way for new sectors or solutions like setting up business networks rather than locals. Thus, the life style entrepreneurs are diverse and have different starting points and competences for running a business. The different positions in the global/local interplay are determined by competences and the ability to use both local and external resources, which are heavily, influenced whether you are a local or a newcomer to the area.

The lifestyle entrepreneurs also have different ideas of what rural life is and consequently contribute differently to rural development. The locals and the more locally oriented newcomers are active in the rural community and play an important role in strengthening the social capital of the local community. In contrast the more externally oriented newcomers extend business networks and add to the economic capital. However, none have positioned themselves in an 'ideal' combination taking advantage of local capitals, being active in the local community while also 'holding down' extra-local relations by establishing business networks also to outside the local area. The theories state that taking advantage of the new economic space by combining local comparative advantages and building up both local and extra-local networks will lead to rural revitalization. Many female entrepreneurs, both locals and incomers, have taken the first steps, but they should be stimulated or assisted to go further. At the moment, the business advisory in the rural areas have not yet 'noticed' this new kind of rural business. In the case area where newcomers have established business networks, these have shown very useful for both locals and newcomers in adapting the businesses and improving the bottom line. However, in areas where such networks are not present, the lifestyle entrepreneurs are left on their own. By ignoring this new rural business, they miss out on a new kind of business development that could have important impacts on rural revitalisation.

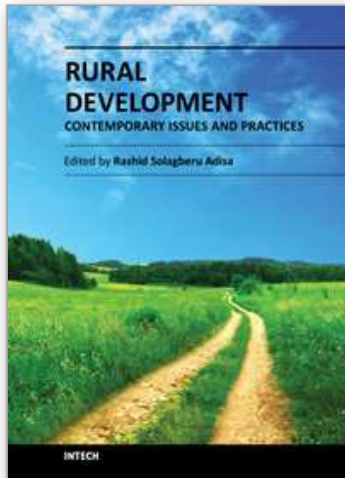
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## **Rural Development - Contemporary Issues and Practices**

Edited by Dr. Rashid Solagberu Adisa

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Development of rural areas has witnessed increasing attention globally, especially over the past three to four decades. The highpoint in the renewed global interest in the development of rural people and their environment was reached with the setting of the Millennium Development Goals (MDGs) in the year 2000. All of the set goals are basically rural development goals. With less than four years to the deadline for the achievement of the MDGs, it is almost certain that the goals are far from being achieved in, especially, most developing countries for whom the MDGs were essentially set. The struggle thus continues for rural development. As long as problems of poverty, disease, illiteracy, unemployment, poor infrastructure, environmental degradation and others persist (or increase) in rural communities, better and more result-oriented solutions to perennial and emerging problems of rural communities would be required. But rural development, in spite of the variations in thresholds of rurality among nations, is not exclusively a Third World or &ldquo;developing countries&rsquo; process, owing to its multi-dimensionality. It is a global phenomenon that obviously requires global strategies. This book not only looks at rural development from its multi-dimensional perspectives, it is also a product of the experiences and expertise of distinguished scholars across the continents. Aiming to provide a comprehensive single volume that addresses salient issues and practices in rural development, the book covers themes ranging from sustainable agriculture, biodiversity conservation, strategic environmental assessment, renewable energy, rural financial resources, assessment of protected areas to statistics for rural development policy. Other subject matters covered by the book include social marginality, land use conflict, gender, cooperatives, animal health, rural marketing, information and communication technology, micro-business, and rural economic crisis. The book is thus an invaluable source of useful information on contemporary issues in rural development for researchers, policy makers, and students of rural development and other related fields.

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