

Re-routing development in peripheral regions: exploiting anchor institution networks for micro/SME enterprise growth and innovation

Structured abstract

Purpose

This research explores the socio-cultural barriers to enterprise in economically disadvantaged communities across five countries: UK, Poland, Romania, Bulgaria and Greece.

Design/methodology/approach

Our EU-funded project took the form of community-based participatory action research (PAR). In this article, we focus on the data from our interviews and network mapping exercises. A total of 40 individual interviews took place, with interviewees from communities with entrenched disadvantage and limited opportunities for employment and education and low rates of business start-ups.

Findings

Our research shows that barriers to entrepreneurship can be overcome where a trusted representative (or 'mediator') can act as a bridge, facilitating access to new knowledge and networks.

This approach can be used to support micro / SMEs for growth and innovation. In targeting these businesses, policy makers need to recognise the power imbalances between actors

and take steps to overcome these, by establishing links with community-based mediators who can act as trusted interlocutors, enabling sustainable relationships to be developed.

Originality

This research targets many often hard-to-reach groups and offers insights into the lived experiences of those who often operate at the peripheries. In doing so, it shows how trusted individuals can be used to remove barriers and promote growth, making clear links between theory to practice.

Keywords

anchor institutions, business networks, knowledge intensive firms, peripheral regions, regional development, SME growth

[220 words]

Introduction

In this article we consider a new approach to developing multi-actor support for micro and small enterprises in peripheral regions, to enable 'new path development' (Baumgartinger-Seiringer *et al.*, 2022). In doing so, we focus on the role of access to both formal and informal business networks for new micro and small firms based in communities of disadvantage. These often-fragile start-ups lack the skills and contacts to gain contracts offered by larger organisations. This acts as a significant barrier to growth and longer-term sustainability for these enterprises (Danson *et al.*, 2021).

Peripheral regions generally host small clusters of organisations and firms that are knowledge intensive, even while surrounding areas may experience often significant economic deprivation (Horváth and Berbegal-Mirabent, 2022). It has been found that enabling micro and small enterprises to innovate and grow may in turn encourage new industries and sectors to emerge or relocate to the periphery (Meili and Shearmur, 2019). In this paper, we show how development paths in peripheral regions can be re-routed via existing knowledge intensive organisations that can be encouraged or supported to act as anchor institutions. Facilitating proactive relationships between knowledge intensive organisations and micro and small enterprises can enable actors in peripheral regions to access the multi-dimensional facets of diversity that support innovation and growth. Using a case-study approach we illustrate how knowledge intensive organisations can benefit new micro-enterprises and smaller firms by supporting access to inter-organisational networks. We then show how linkages between small firms and larger organisations can form part of wider initiatives to re-route development paths for regions experiencing economic disadvantage and suggest strategies to overcome the barriers preventing valuable

interaction between knowledge intensive organisations and micro-enterprises and smaller firms.

Anchor Institutions

Smallbone, Kitching and Blackburn (2015) define anchor institutions as place-based organisations with the potential to support and even coordinate economic activity and innovation in areas of geographic disadvantage. The key features of anchor institutions are spatial immobility, relatively large resource base (human, cultural, social, and economic), and embeddedness within the community. Anchor institutions can be a significant employer (such as a university, hospital, or large business), an organisation spending significant amounts purchasing goods or services, or they may own or have control of land or buildings (such as the civic authority).ⁱ Dubb and Howard (2012) note the significance of networks built by anchor institutions in supporting SMEs in local economy, while Birch (2014) reports on the major benefits anchor institutions brought to the Northeast USA megaregion, and points to the need to build on this resource in fostering innovation and new path development for areas which had lost traditional industries. This view is supported by Schildt and Rubin (2015) who find the knowledge and networks of anchor institutions build economic and social equity in peripheral and poorer regions, stating they are a significant tool for overcoming geographies of disadvantage in order to leverage innovation and business growth.

The USA has pioneered the identification and incorporation of anchor institutions into urban regeneration schemes (such as Cleveland, New Orleans and the NE megaregion), and has a generally broader conception of which organisations might be identified to support both

small businesses and community development, including banks, corporations and hospitals alongside NGOs, universities and government departments. In the UK, where the concept is still relatively new, there is heavy reliance on universities and local authorities acting as anchor institutions. However, large knowledge-intensive firms and organisations offer much potential as anchor institutions in peripheral regions, as illustrated by our case study.

Embeddedness and economic actors

While we are interested here in the potential of larger economic actors in peripheral regions to become proactive anchor institutions, we must first consider the theoretical underpinning of embeddedness. This is important as the central feature of an anchor institution is that it must be embedded in the community (Smallbone, Kitching, and Blackburn, 2015). In its original formulation, embeddedness refers to understanding that economic systems are part of wider society, and as such that social norms and values should be integral to and embedded in economic systems (Polanyi, 1957; Habermas, 1981), which itself is closely linked to theories of social capital initiated in the work of Bordieu (Bolton, 2005). However, the uncoupling of economic action from wider society over the twentieth century has, according to Polanyi, led to society becoming embedded in the market, and not the market being embedded in society, with concomitant damage caused by widening wealth gaps and social exclusion.

The seminal work of Mark Granovetter (1985) on embeddedness and particularly, 'the embeddedness of business in social relations' (p. 497) makes clear the link with community trust, community distrust and networks in economic life, building on his earlier work on the strength of weak ties (1983). It is this aspect which concerns us here as it helps with

understanding the barriers to network engagement and participation in inter-organisational networks in communities of disadvantage. Embeddedness as conceptualised by Granovetter highlights the importance of 'concrete personal relations and structures (or networks) of such relations in generating trust' (1985, p. 490), suggesting trust can overcome the speculative nature of network engagement for micro and small enterprises. Thus, Granovetter posits individuals seek information to make decisions about trust, with personalised information being the most likely to allow a trusting relationship to be developed, and supporting network building, although in lieu of personalised information generalised information may be used to support decision making. However, communities of disadvantage find access to personalised information difficult, often because of unequal power relations and restricted networks; information poverty is one of the most significant invisible barriers to both network engagement and community wealth building identified in the research underpinning this article.

It is in the area of power relations where Granovetter's work could be developed. While he acknowledges the role of power relations in inter-firm conflict (1985, pp. 501–502) his paper is not concerned with wider power imbalances in the relationships between economic action and the social life of individual stakeholders (which would include micro and small businesses), although his earlier papers developing network theory (1973; 1983) do consider the individual as part of a wider pattern of economic relationships. In order for the market to be embedded in society – as Polanyi (1957) suggests is needed for sustainable economic regeneration – it is necessary to begin to reverse disadvantage and income inequalities, encourage sustainable economic growth and improve overall productivity.

Networks, trust, and geographies of disadvantage

Clearly, embedded organisations need to develop networks of trust to function as a market embedded in society. However, the business networks of potential anchor institutions such as KIFs or large organisations often have limited engagement with wider society and therefore find it difficult to engage with communities of disadvantage. This holds, despite a growing body of research around migrant enterprise and migrant entrepreneurship (Jones *et al.*, 2014; Jones *et al.*, 2019).

Businesses and large organisations build networks through various formal and informal structures. Social interactions within those networks lead to trusting relationships which in turn enable inter-organisation cooperation (Johannisson, Ramírez-Pasillas, and Karlsson, 2002). These networks of trust influence decision making in organisations. However, patterns of organisational behaviour are not easily disrupted; often, changes in purchasing, supply or logistics are the result of a shock (such as loss of a supplier through bankruptcy) rather than the expansion of networks (Zhang and Huo, 2013; Svensson, 2004). These factors make it difficult for new, small, or micro enterprises to gain the more profitable and more reliable contracts offered by larger organisations; they lack access to existing inter-organisational networks and these difficulties are heightened for enterprises based in communities of disadvantage (Danson *et al.*, 2021). Micro-enterprises also lose out on opportunities for informal learning from network engagement which could improve their business practices and leadership skills (Besser and Miller, 2010; Smallbone, Kitching, and Blackburn, 2015).

Researchers have posited inter-organisational relationships can lead to informal structures and ways of working identified as a 'quasi organisation' (Ford and Mouzas, 2008; Sheth and Parvatiyar, 2000). Downs (2017) found individuals trading as micro enterprises could replicate the functions of a larger organisation through informal sharing of knowledge across a network. Work by Håkansson and Ford (2002) noted the potential of inter-organisational relationships to build and generate influence but also identified the importance of organisations being influenced by the inter-dependencies within their business networks. Additionally, the opportunities for inter-organisational learning where larger, anchor institutions are enabled to build relationships with smaller and micro businesses in distinct spatial areas are increasingly recognised (Kempster and Cope, 2010; Kitching and Blackburn, 2002).

Research questions

Much previous work suggests embeddedness and access to diverse networks are important for enterprise growth (Burt, 2000; Baum *et al.*, 2000; Podolny and Baron, 1997; Granovetter, 1983; Håkansson and Ford, 2002; Håkansson *et al.*, 2009; Ford and Mouzas, 2010; 2013). Grillitsch and Nilsson (2017) show knowledge intensive firms and organisations readily exploit geographically distant networks for knowledge acquisition and innovation development if located in peripheral regions, overcoming shortfalls in local knowledge spillover. We therefore hypothesised that access to wider networks would improve knowledge and support innovation for potential and new entrepreneurs in economically disadvantaged regions. This has implications for place attachment (Wilkerson, Sorokach and Wafa, 2022). Our research questions were therefore structured to address our hypothesis.

1. What networks do potential entrepreneurs in disadvantaged communities have that can support enterprise development?
2. How can micro enterprises in disadvantaged communities overcome the barrier of limited networking opportunities?
3. What mechanisms or processes would be effective in supporting network building and sustaining new, micro enterprises in disadvantaged communities?

Research methods

Research was conducted in five European countries, UK, Poland, Romania, Bulgaria, and Greece with over 500 participants. The primary aim of our project was to understand the sociocultural barriers to enterprise in economically disadvantaged communities, while also co-creating learning materials to improve access to enterprise, and providing policy recommendations to support economic regeneration. In the UK, our chosen community scored highly on all indices of deprivation, being in the lowest 1% of incomes, and with 98% of areas having better health outcomes for residents, while 48% of residents have significant barriers to accessing services. At the time of the study, the area chosen was ranked 80 out of 32,844 in the UK Index of Multiple Deprivation (IMD) as available from www.uklocalarea.com. Similar communities were selected in our partner countries.

Our research took the form of community-based participatory action research (PAR) – an approach that has been found to be useful as a tool for social change (Wood, 2019). The benefits of PAR include building trust within hard-to-reach communities, recognising the expertise and lived experience of participants, and supporting social development. PAR is

also generally spatial in its approach, focussing on discrete geographic areas (Minkler *et al.*, 2003).

The study included quantitative data collection on entrepreneurial self-efficacy (n.500), focus groups (n.10), interviews (n.40), UK-only network mapping (n.10), training evaluations (n.5) and a longitudinal (over 3 years) follow-up study of UK start-ups (n.20). The breadth of data types allowed for effective triangulation and cross-national comparison of findings supporting validity and reliability.

In this article, we focus specifically on data from our interview study and network mapping exercise. A total of 40 individual interviews took place, with interviewees from communities with entrenched disadvantage and limited opportunities for employment and education and low rates of business start-ups. All interviewees were enrolled on a Preliminary Enterprise Training Programme that was set up as part of an EU-funded research project. For this reason, we therefore refer to them as ‘potential entrepreneurs’. All participants progressed to either enterprise, employment or further education after taking part in the programme.

Interview Participant Demographics	
Males	50%
Females	50%
Age 18-30	20%
Age 31-45	27.5%
Age 46-65	45%
Age 65+	7.5%
Descriptive Categories (Note: participants could select more than one option)	
Participants identifying as belonging to minority groups	30%
Participants identifying as first-generation migrants	17.5%
Participants identifying as experiencing long term chronic health conditions (mental or physical) limiting employment opportunities	62.5%

Participants identifying as in recovery	25%
Participants out of workforce for more than 12 months	75%
Participants with significant caring responsibilities (16+ hours per week)	60%
Participant Qualification Levels	
Participants with no formal qualifications	10%
Qualified to EQF level 3 (vocational and academic) UK GCSE Level	37.5%
Qualified to EQF level 4 (vocational and academic) UK 'A' Level	35%
Degree level qualification	20%
Postgraduate qualification	5%

Table 1: Interview participant demographics

Destination Data for all Tracked UK Trainees	
Moved on to Education	12.5%
Moved on to Employment	12.5%
Moved on to Enterprise	32.8%
No change in occupation status reported	42.2%

Interview data

After translation and back translation of transcripts (Brislin *et al.*, 2004) interview data was prepared for thematic analysis using preliminary open/deductive codes. Initial codes were broad, drawn from our literature reviews and discussions with our project advisory panel. The iterative analysis process narrowed down initial open codes to axial codes which were refined through a process of selective coding to build a narrative. For example, under the axial code of self-confidence open/deductive codes such as trust, dependence, reliance, assertive/assertiveness, shyness, nervousness, anxiety, avoiding social situations, comparing self negatively to friends/family/community, tending to avoid new experiences and procrastination, as well as any explicit mentions of networks (family, friends, contacts, sources of support), confidence/self-confidence were included. The coding process supported description of data content and facilitated a combined analysis of all interviews and development of a narrative account.

Our coding process confirmed that most participants experienced some level of social isolation, and many were extremely isolated; most also had limited networks, or problems identifying the utility of existing networks. All participants lacked self-confidence, and many had a general distrust of authority figures. No participants had a business up and running at the time of initial participation in the project. By the time of interview three UK participants from the 8 interviewees in the UK had moved to the early stages of starting a business. Of the UK businesses tracked, all took part in the training programme but only 8 took part in the interviews. The remaining interviews were with participants in Poland, Greece, Bulgaria and Romania – 8 per country.

Following the interview process, we mapped participants' social and other networks from the data provided. Mapping showed similar patterns across all countries, with small networks of strong ties (family / close friends) and limited networks beyond, with the main differences being observed in Roma participants who were well connected within their wider Roma community and to other Roma communities even outside their geographic area. This observation has also been noted by Marti *et al.* (2012) and Schultz and Bitu (2018).

Findings

In general, networks among our participants were restricted. Recent migrants had networks mainly comprising nuclear family and links with external organisations supporting language learning, schools, or health needs. Participants with chronic health conditions were often restricted to hyper-local networks (closer than .75 km to their home), including community-

based networks around a local café or shops and externally provided healthcare networks. Older women had the widest networks, often being involved with community groups, extended family, and a greater range of external organisations such as libraries, craft groups and voluntary work. Very few of our participants had meaningful contacts that could support them in building a business network:

I only came to the course [project developed training programme] because it's next door to home. I don't get out much, it's agoraphobia, don't even get to the kids' school, it's too difficult... I see my mum, the kids, my partner and sometimes the GP, that's about it. (UK: MS2)

There were participants with access to wider networks which offered significant potential for building a business, but they had not identified the value of these, and had little idea of how to develop such links or make best use of them.

Well, before I had the accident, I was a solicitor, not round here, I moved here 'cause it's cheaper. I don't keep in touch with friends from before [interviewer, why not?] well, I don't really know... embarrassed maybe, I've fallen a long way, the accident, then other problems... I miss some of the people though, but they don't know where I am now. (UK: MWEI5)

Thus, within our target population, reciprocal networks tended to be within their hyper-local community, while relationships with larger organisations such as schools, healthcare providers and civic authorities were one-way and highlighted by a lack of trust in such organisations by participants.

I can't get to the library, it's too far to walk. I'd not want to ask them for help though, they'd likely look down on me. [Where would you like to get advice?] Well, if someone round here could advise, someone I know, yeah, I'd talk to them. (GR: ERG1)

Meanwhile, some participants had family members with micro or small businesses but were not using these potential networks to develop their own business:

Well, it's fairly usual for men to start up business, so, my brother-in-law, he's got Subway franchise, my father-in-law, he had a garment factory, retired now, so his nephew took over. I'd like to start up something, get some independence now the children have left home, but then, what could I do? It'd have to be home based, and I'm no good at sewing (laughs). (UK: OWLC1)

Gender was a barrier in the case of some migrant communities where women were not expected to seek work outside the family and could not easily build a professional network due to cultural norms.

No participants had easy access to the networks of a larger organisation, or the knowledge that could be gained from exploiting such a network:

See all the plastics round here, just dumped, it could be collected, sold, but then, where to take it? Who will give cash? I don't know how to start. (Rom: UOT7)

Studies have shown that lack of knowledge is a barrier to innovation and growth for many small businesses, and that it can be difficult for small enterprises to learn required skills via formal learning programmes (Freel, 2000; Kitching and Blackburn, 2002). In such cases,

more informal approaches to learning via local networks can offer more success (Bergh, Thorgren, and Wincent, 2011). From our interview participants we noted the potential for such links to be built, and therefore decided to map the networks of our 10 UK participants in order to analyse this finding further.

Figure 1 (below) shows one such network map from a UK interviewee. During the interview, it became clear that the interviewee believed himself to be limited by the size of his current networks, despite evidence pointing to the contrary. As the discussion unfolded, it seemed the interviewee's real problem was not so much a lack of networks, but rather understanding how to make use of existing networks, or even realising the potential these networks had. His social media presence, for example, only had a very limited following, and many of these followers were members of his family and friends. This limited the size and potential reach of any engagements he may have with a wider audience, and his interactions with other third sector organisations were also limited – despite the potential for growth in this area. While the interview did reveal one potential anchor institution available to the participant, he was reticent to reach out to the institution (a higher education college), due to a range of factors including a lack of understanding of what the institution had to offer, and how it could help him in practical terms. There was also a sense that the HE college in question may not have been 'for him', and he didn't have sufficient levels of trust in the organisation to commit time and effort to forging new network bonds that in the first instance, would be completely speculative in nature.

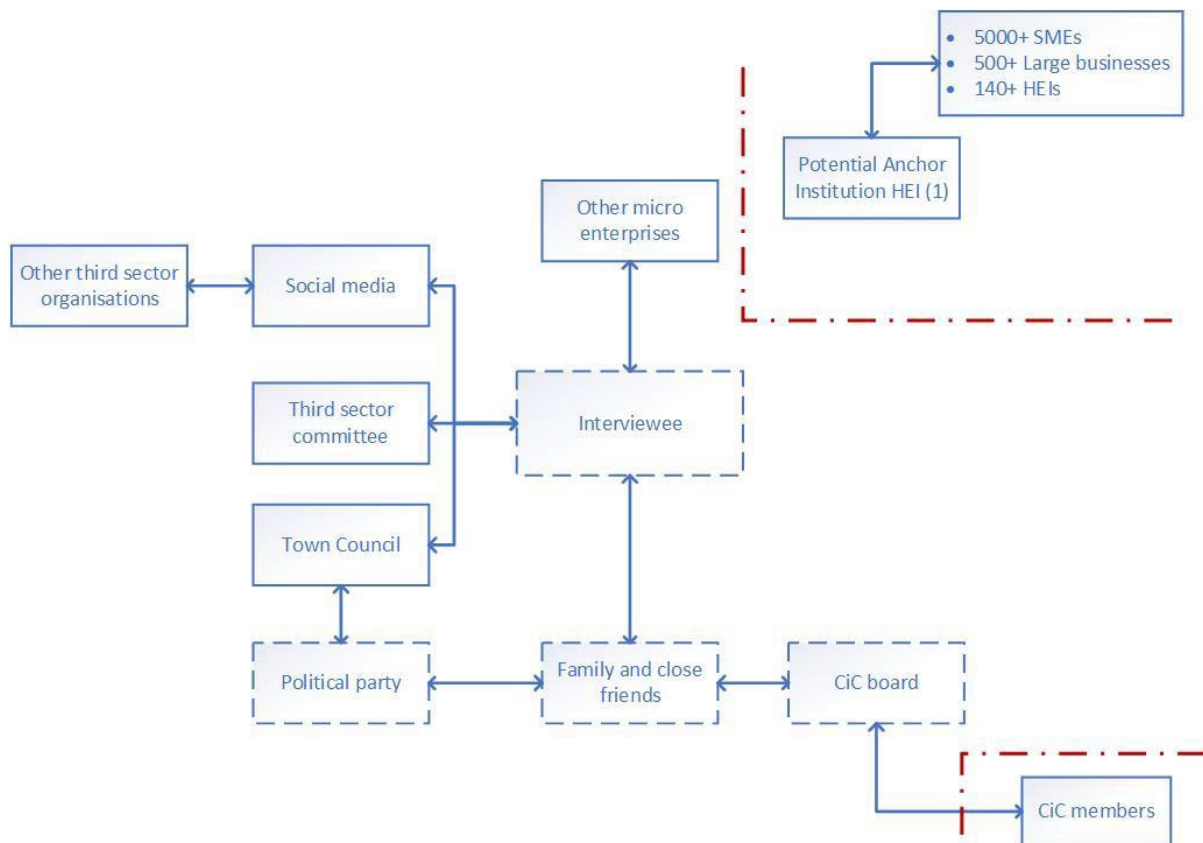


Figure 1: Network map showing porous relationships and barriers to further networks

All 10 network maps followed a similar pattern. However, despite limitations in terms of the participants' personal networks, our analysis revealed that many participants had a broad and useful range of hard skills that would support them in starting an enterprise. These included high-level craft skills, trade qualifications and transferable work experience. However, overcoming the barriers to growing an economically sustainable enterprise without a wider network to share knowledge, provide contacts or foster innovation it would be difficult for these potential micro enterprises to fully establish themselves and grow. Our findings suggested that a new model of enterprise support was needed for potential entrepreneurs experiencing social exclusion, particularly focussed on enabling access to new opportunities through the structural holes offered by business networks (Burt, 2000). These holes represent the gaps between connected individuals who have access to

complementary pieces of information that, when combined, create new solutions to problems.

Network development strategies

Discussions with our follow-up cohort of new UK micro enterprises based in disadvantaged communities and led by people vulnerable to social exclusion, indicated few improvements in access to business networks, little innovation in businesses, few opportunities for accessing new knowledge and ongoing distrust of organised business network support (such as Chambers of Commerce). However, one participant provided useful insight as to how existing anchor institutions could leverage their networks to enable micro and small enterprises in their communities to benefit from the opportunities to be gained from the structural characteristics of business networks. Developing this case study revealed the potential of anchor institution networks for micro/SME growth and innovation. It also suggested that economic development policy should develop a focus on encouraging knowledge intensive firms and organisations to identify as anchor institutions with an emphasis on sharing access to networks and offering knowledge exchange opportunities to support growth and innovation in micro and small enterprises in peripheral regions.

Case study

One participant who had been unable to work for eight years with a chronic health condition had gone on from the project training programme to take the lease on a café in a park at the heart of his community. Being self-employed meant he could work around his disability and get help from family if unwell. He was particularly keen on the location of the café because a bowling green was in front of the small building, and until he had become

unwell, he had been an expert outdoor bowler and had coached at championship level. At first, he had run the café in a traditional way, albeit staying open in the evening to cater for bowlers playing matches in the summer, but on a regular monthly visit to a trusted community nurse, he had mentioned his new venture. The community nurse also enjoyed bowling and wondered if other patients might benefit from accessing outdoor bowling under the social prescribing option funded by the health service. The nurse told our participant of a grant scheme organised by the local nuclear power station – a major local employer commissioned in the 1980s, and provider of apprenticeships and small grants to support community initiatives. Our participant sought advice from the community organisation where he had accessed the project enterprise training programme. They helped him with applying to the power station for a grant to buy bowling equipment, which would make the bowling green accessible for people in poor health, or with disabilities and he was successful in winning funds. Thus, the community nurse used the wider networks of the health centre to open new networks of health practitioners and community organisations working with possible end users who could benefit from social prescriptions.

Over time, thanks to the facilitation offered by the community nurse, the growing network referred people with health conditions and disabilities to his café to take part in bowling to improve their health and mobility. The café expanded its activities between March and October to include daytime bowling sessions for people with health needs. The café grew to employ three part-time staff members during the summer season and our participant became part of a wider community initiative aiming to encourage more people to exercise for health, supporting others in his community to start small businesses, and encouraging the development of networks to add value and support innovation within micro-businesses.

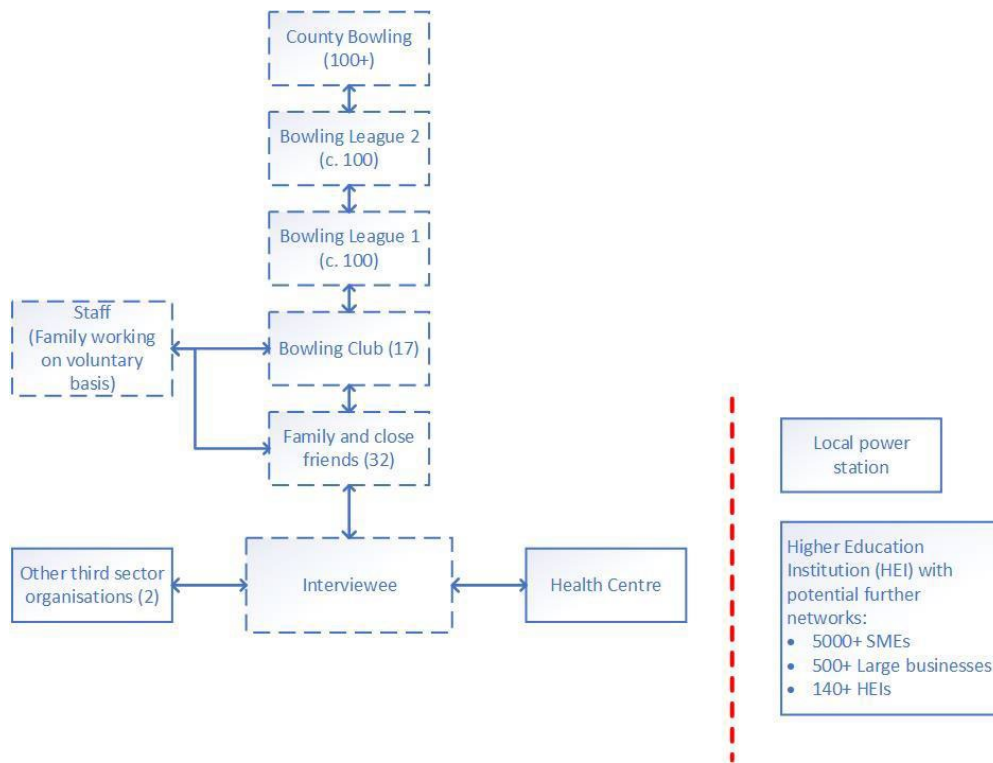


Figure 2: Network map before intervention made via the community nurse. Note staff working on voluntary basis, and the barrier restricting further network interactions

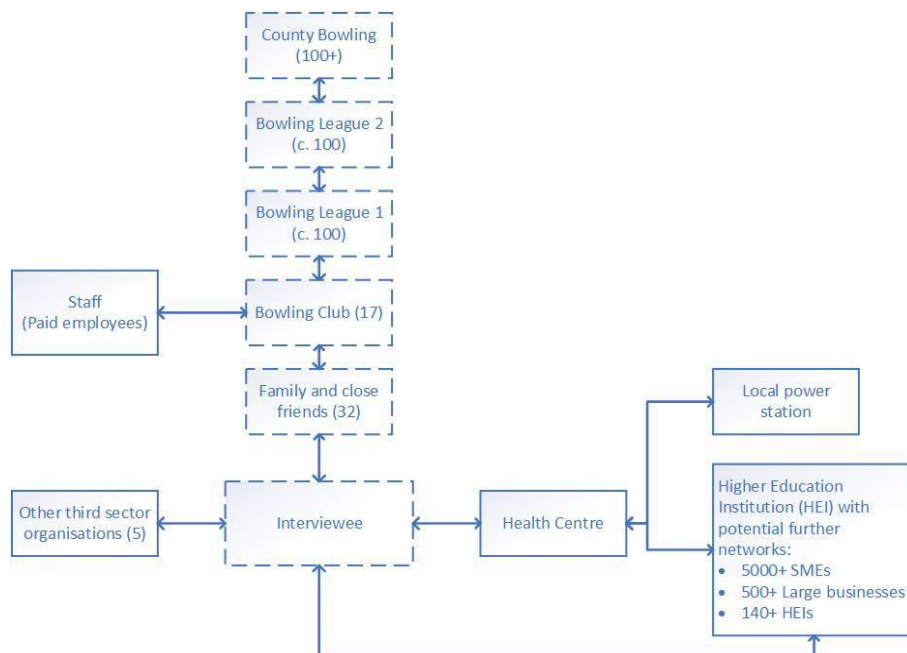


Figure 3: Network map after intervention by community nurse

Modelling anchor institution network exploitation for micro/SME growth and innovation

The progress of events in this case illustrates the importance of a trusted source of information (the community nurse) who could also act as a mediator between the anchor institution (health centre) and their networks (other practitioners), giving access to the local nuclear power station (a knowledge intensive organisation and potential anchor institution), together providing knowledge to support innovation and growth of a micro business in a disadvantaged community. Mapping the process of innovation and growth allowed the development of a model representing the process, offering a route to build theory explaining the phenomenon. Figure 4 shows how micro and SMEs poor networks act as a barrier to knowledge and wider networks contained within anchor institutions, while Figure 5 shows how facilitation can bridge barriers to knowledge and networks.

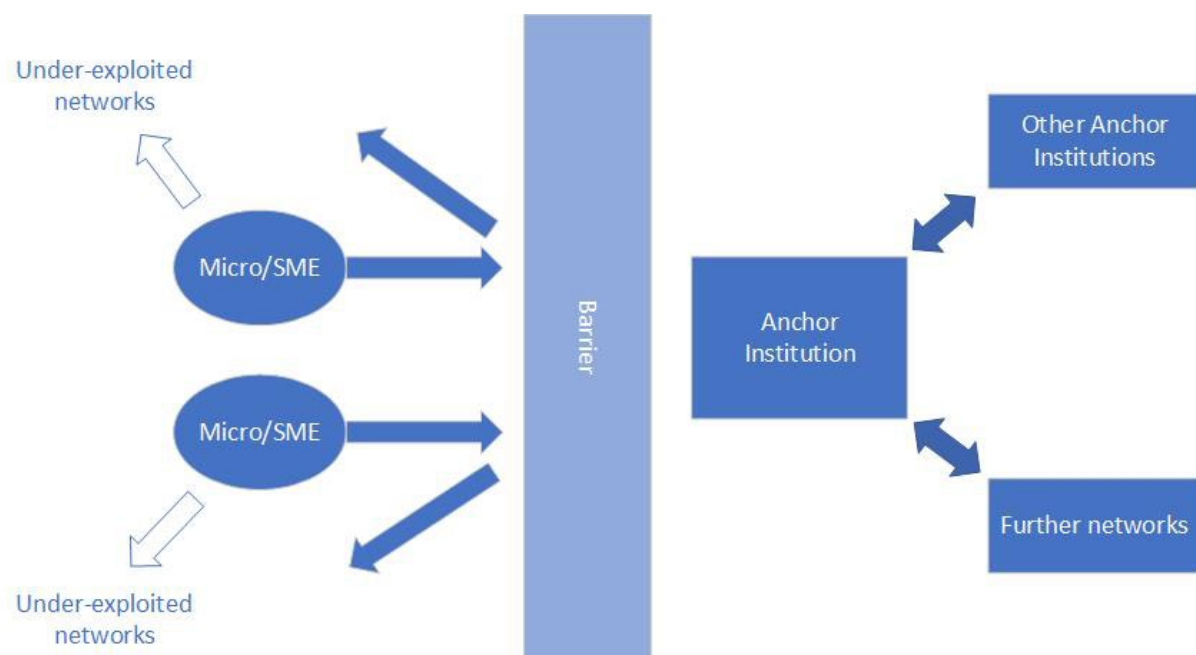


Figure 4: Barriers stopping individuals accessing anchor institutions

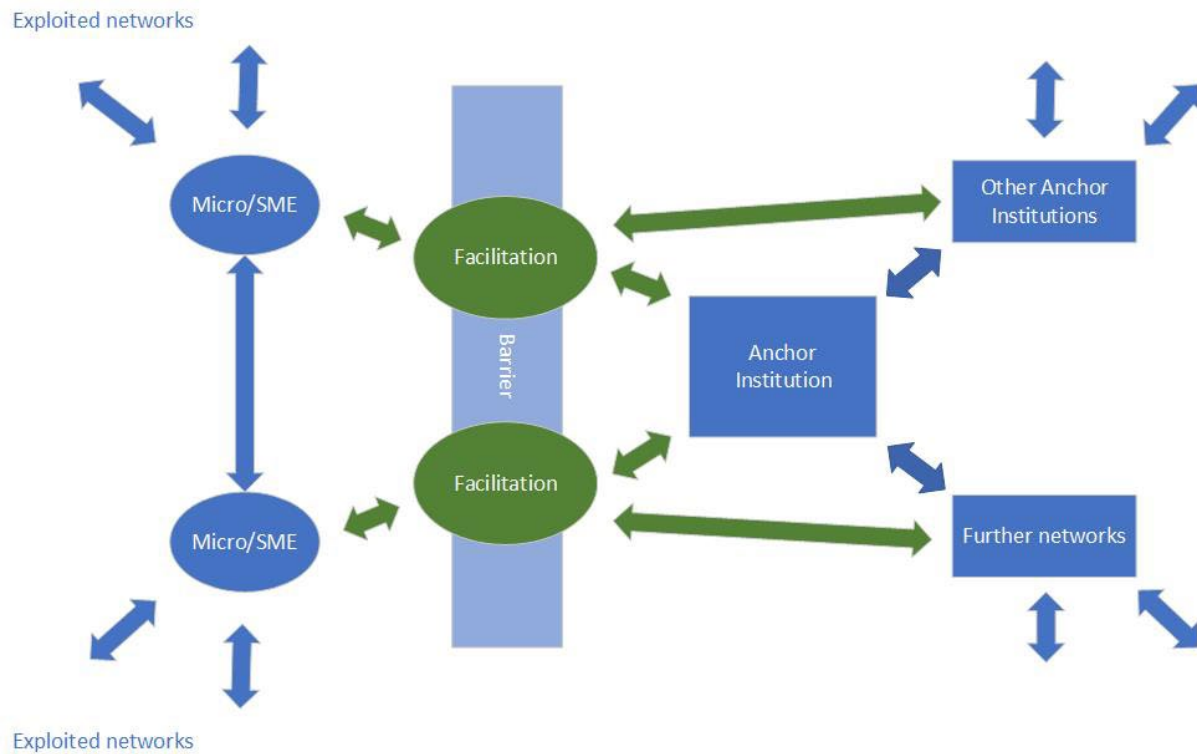


Figure 5: Using facilitators to overcome barriers and open up further networks

Application of the model to practice

As our interview study indicated, people experiencing social exclusion are bounded by geographies of disadvantage (Harvey, 1996). They have constrained networks, few opportunities for practising interactions outside of their own restricted networks and little understanding of how networks could support their potential or actual micro business. Developing the work of Besser and Miller (2010), which identified the potential of mediators to encourage micro and small businesses to join formal business networks, we found that trusted community-based mediators can act as a bridge to knowledge intensive anchor institutions that can in turn help foster networks, knowledge building, innovation and growth.

To test the generalisability of our findings we worked with a Community Interest Company (CIC) in the creative cultural sector (a potential anchor institution) which mapped its own networks, in order to better identify how they could share their networks with micro and small enterprises in their community. They found their networks stretching far beyond the local geographies of disadvantage, via national funders, politicians, national creative cultural sector organisations, trade bodies, and suppliers of materials and equipment. Once equipped with the network map we were able to trial our model with creative, cultural and artisan start-up micro enterprises in our community, with the CIC building bridges to their extensive inter-organisational network as well as delivering our Enterprise Training Programme. The intervention in network building started in March 2018, and since then the community has seen six new businesses start up among individuals participating in the programme. These businesses have sustained themselves even through the pandemic, with further start-ups currently in planning. Access to new knowledge, to inter-organisational business networks and to opportunities through the initiative has been crucial in supporting problem solving, identifying wider markets, opening opportunities for funding applications, fostering innovation, and enabling trust in long-term organisational relationships outside the community to develop.

Burt (2000) and Baum *et al.* (2000) show how the structural characteristics of networks, most especially structural holes, offer benefits to economic growth and business development, while Podolny and Baron (1997) and Granovetter (1983) illustrate the relational characteristics of networks offer a range of benefits to members of the network. This is supported in the work of Håkansson and Ford (2002), Håkansson *et al.* (2009) and Ford and Mouzas (2010; 2013). Having access to networks improves the chances of gaining

new ideas, implementing business innovations, and learning about opportunities (Burt, 2002; Granovetter, 2018). Therefore, it seems reasonable to argue that a key factor embedding exclusion is the lack of access to networks. As seen in Figure 2, and supported in wider literature (Espinoza, 1999; Saegert *et al.*, 2002), people vulnerable to social exclusion tend to have small networks (both numerically and geographically) of strong ties, with external ties tending to be with organisations such as healthcare, education or civic services, rather than with larger businesses, funders or trade bodies.

Our case study illustrates that these barriers can be overcome where a trusted representative can act as a bridge, facilitating access to new knowledge and networks (see Figures 4 and 5), and the large trial with a Community Interest Company confirms the model works in practice.

Exploiting the role of larger organisations in supporting communities to develop economically was pioneered in the USA (the Cleveland Model) and then further developed in the UK (the Preston model) and Spain (CLES 2020). These models of community wealth building are useful but not entirely relevant in the situation of micro enterprises sited in deprived communities in peripheral regions because in each of these developments the role of anchor institutions (hospital, university, civic authority, large manufacturer etc) is predicated on them using their purchasing power to buy local through changing procurement processes to enable the engagement of smaller and local suppliers, rather than exploiting network opportunities for the benefit of businesses within the community. However, these models of community wealth creation can be applied to building business networks for community income generation through enabling a new approach to corporate

engagement through which small start-up businesses can access those structural holes taken for granted by organisations already embedded in business networks.

The kinetic nature of this activity is important, the process is, as noted above, a 'sequence of actions, reactions and re-reactions' (Ford and Mouzas, 2013, p. 435), which trigger new connections. However, it is also critical that anchor institutions are engaged over the long term in order to build trust. It is also important that trusted community leaders are engaged in the process, providing a bridge to new networks and experiences for micro enterprises and potential entrepreneurs in regions blighted by disadvantage.

Policy implications

The most significant policy implication of our work is that active promotion of links between micro and small enterprises and KIFs/knowledge intensive organisations offers an important route for network and knowledge exchange. We find access to knowledge and to the pan-regional networks of KIFs/knowledge intensive organisations can support micro/SMEs for growth and innovation. In targeting micro/SMEs, policy makers need to recognise the power imbalances between actors and take steps to overcome these, by establishing links with community-based mediators who can act as trusted interlocutors, enabling sustainable relationships to be developed. In addition, policy should be directed towards incentivising KIFs and knowledge intensive organisations to proactively identify as anchor institutions in peripheral regions, through training programmes, grants and case studies illustrating how network and knowledge sharing can help fulfil the corporate social responsibility remit of KIFs and large organisations.

Conclusion

Taking account of the 'variegated influence of social structures on transactions' (Meijer *et al.*, 2006) can help larger KIFs and organisations develop strategies, such as working with community-based mediators, to overcome the barriers of weak actor bonds. Developing such strategies can enable KIFs to become effective anchor institutions, to broaden their give-and-take exchange relationships, assisting nascent enterprises to overcome socio-cultural and structural barriers to business growth and encourage the development of opportunities for 'good work' through creating opportunities for kinetic exchange relationships supporting micro/SME growth and innovation. This has implications for improving place attachment for entrepreneurs in areas perceived to be of low economic standing (see: Wilkerson, Sorokach and Wafa, 2022).

In our study, network mapping indicated that networking beyond the community was extremely limited, and business networks were not identified by project participants who had started a business. Gaining access to inter-organisational business networks by working with anchor institutions was demonstrated to be effective, enabling the building of relationships where there was interactivity and reciprocity, as noted by Ford and Mouzas (2009; 2013).

Burt (2000) and Baum *et al.* (2000), argue that the structural characteristics of networks enable access to new opportunities by bridging structural holes in potentially larger business networks. In re-routing development paths in peripheral regions, it is critical to gain sustained access to wider business networks. This can be done by engaging with KIFs to

exploit the invisible resources contained within these organisations and overcome structural disadvantage embedded in many peripheral regions.

Disclosure statement

The authors report there are no competing interests to declare

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Table

Interview Participant Demographics (NB: Participants could select more than one descriptive category)	
Males	20
Females	20
Age 18-30	8
Age 31-45	11
Age 46-65	18
Age 65+	3
Descriptive Categories	
Participants identifying as belonging to minority groups	12
Participants identifying as first-generation migrants	7
Participants identifying as experiencing long term chronic health conditions (mental or physical) limiting employment opportunities	25
Participants identifying as in recovery	2
Participants out of workforce for more than 12 months	27
Participants with significant caring responsibilities (16+ hours per week)	24
Participant Qualification Levels	
Participants with no formal qualifications	4
Qualified to EQF level 3 (vocational and academic)	15
Qualified to EQF level 4 (vocational and academic)	14
Degree level qualification	5
Post graduate qualification	2

Table caption

Table 1: Interview participant demographics

Figure 1

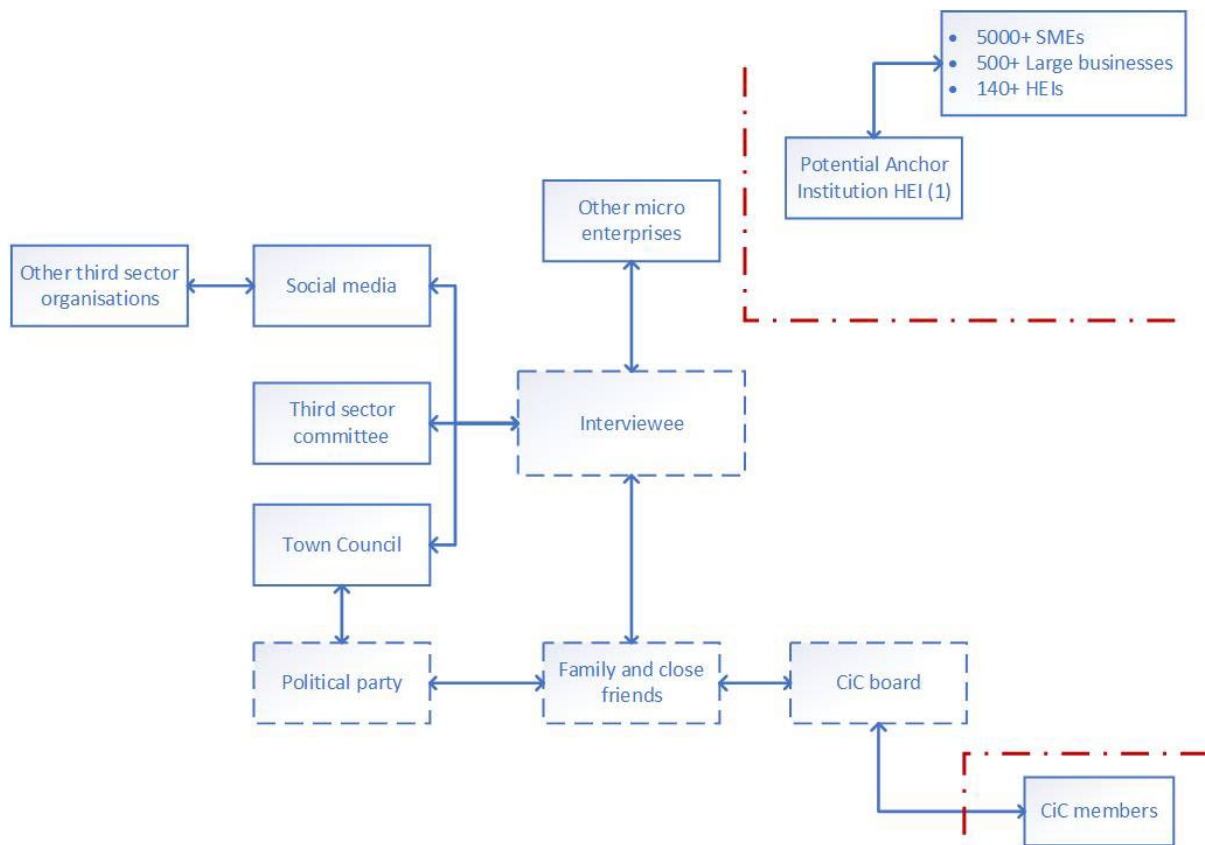


Figure 2

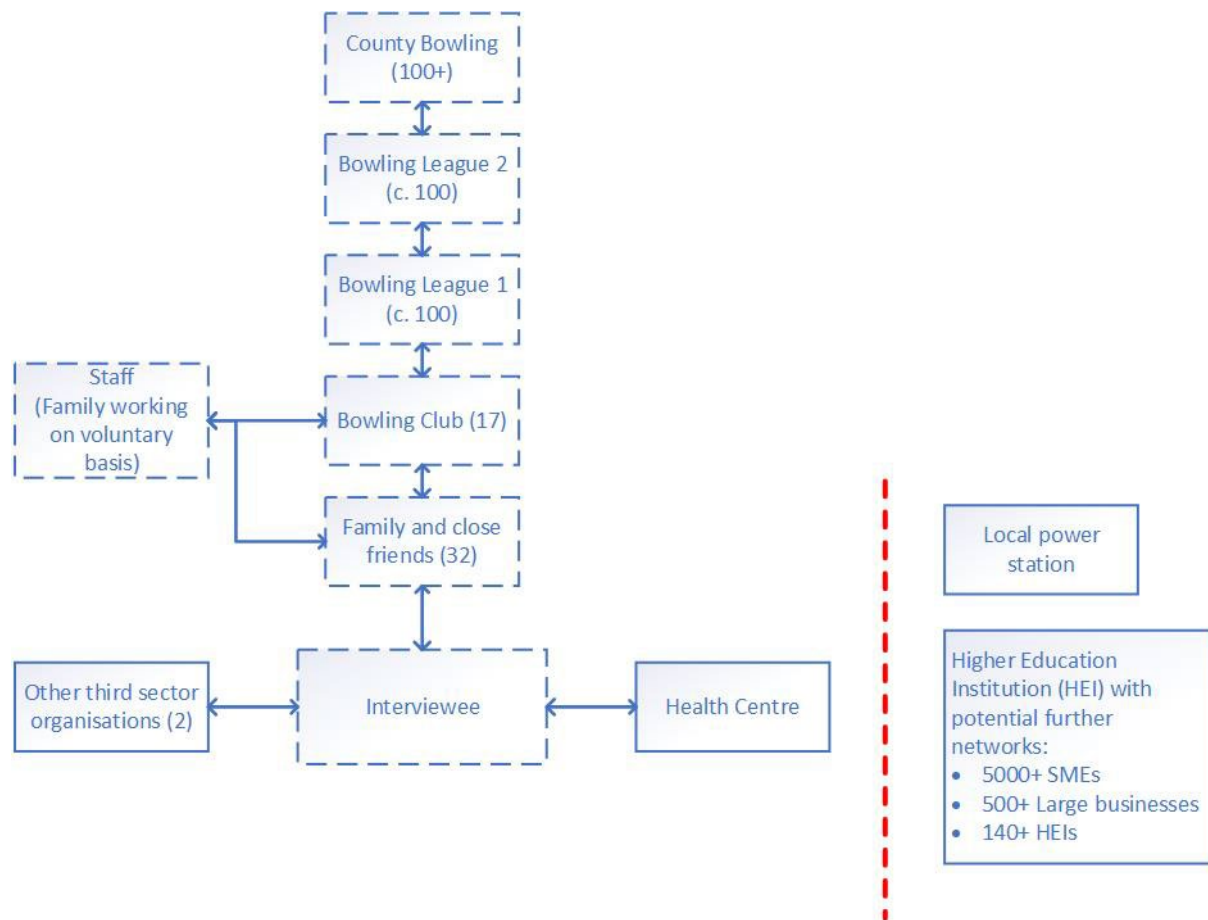


Figure 3

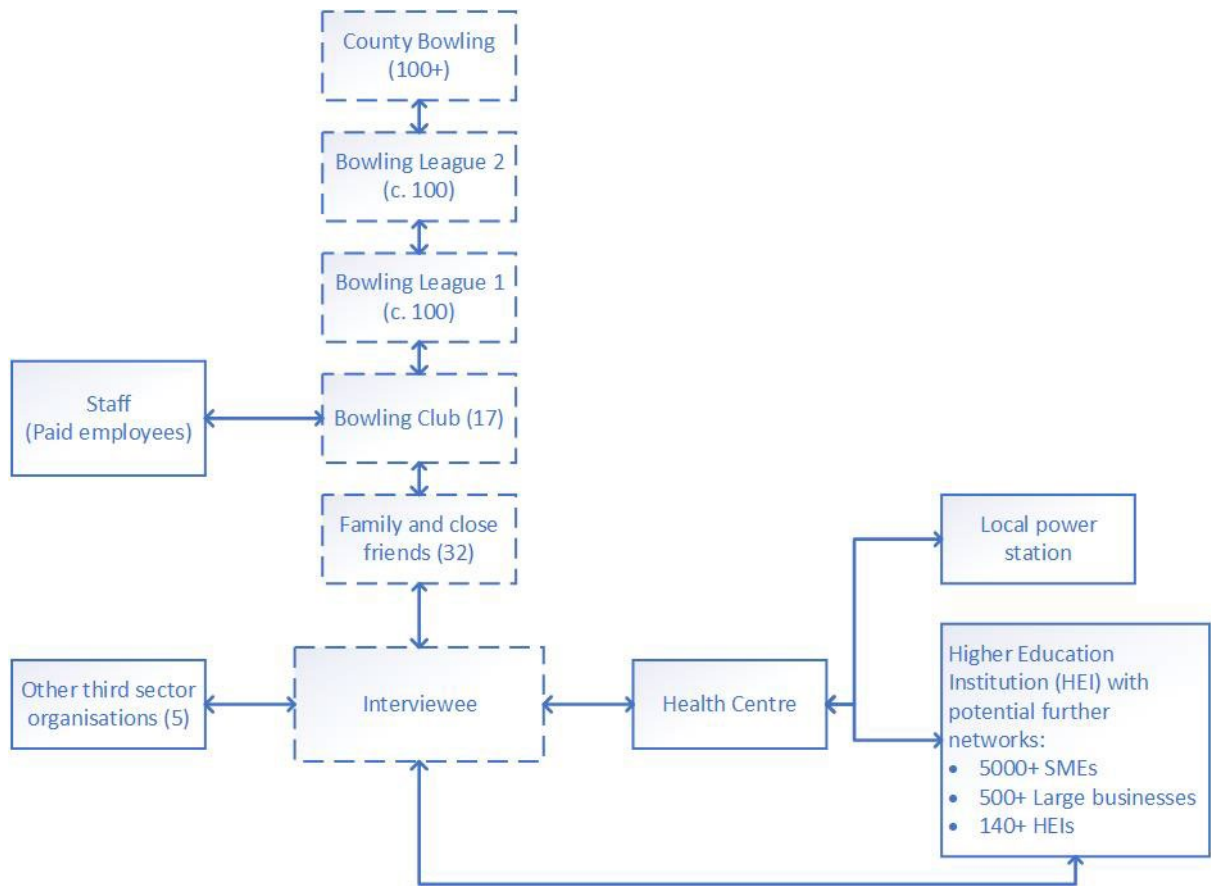


Figure 4

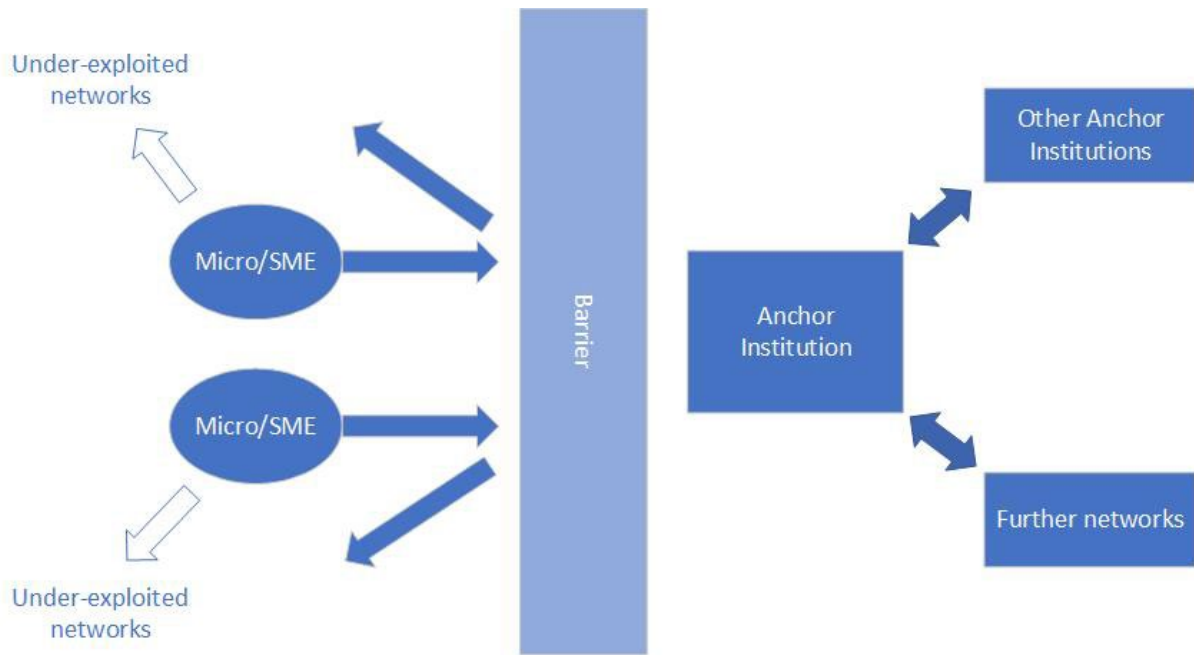


Figure 5

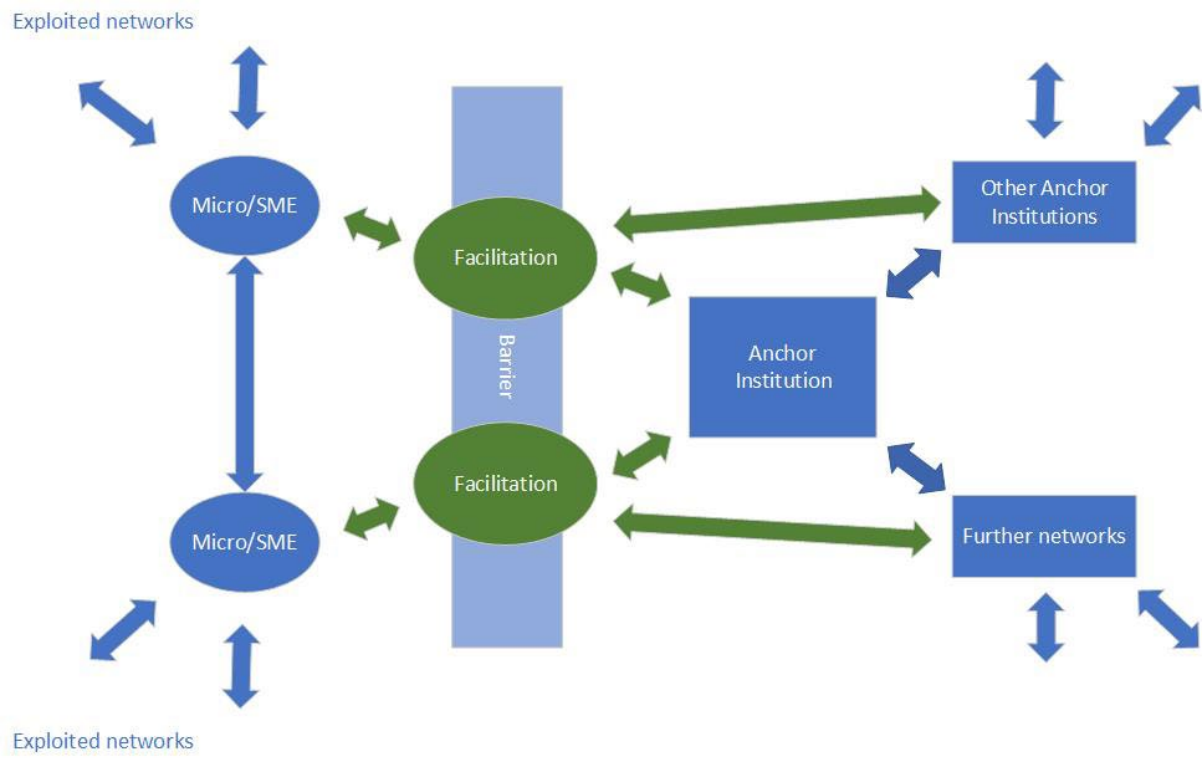


Figure captions

Figure 1: Network map showing porous relationships and barriers to further networks

Figure 2: Network map before intervention made via the community nurse. Note staff working on voluntary basis, and the barrier restricting further network interactions

Figure 3: Network map after intervention by community nurse

Figure 4: Barriers stopping individuals accessing anchor institutions

Figure 5: Using facilitators to overcome barriers and open up further networks

ⁱ The UK city of Preston exemplifies how anchor institutions can leverage their embeddedness in the community to reduce levels of deprivation. Preston has seen the diversion of £72m of public service spending to the local economy, and £200m to the regional economy between 2013 – 2020 (CLES, 2020) after civic authorities led efforts to identify anchor institutions and help build relationships between communities and institutions.