# Business in the Backwaters: How 'distance from the core' impacts entrepreneurs' lived experiences.

# Abstract

Using a phenomenological approach, we analyse the voices of entrepreneurs living in the peripheral ecosystems of Newcastle Upon Tyne (UK), Palermo (Italy) and Perth (Australia). These ecosystems are defined by the considerable physical distance between their geographical location and the location of a larger, more established 'core' ecosystem in their nation. The purpose of our paper is to examine how distance from the core is perceived to both enable and constrain entrepreneurship in peripheral contexts. We introduce 'distance from the core' as a significant hitherto unexplored theme to consider when exploring the lived experiences of entrepreneurs in peripheral contexts. Empirically, we present data that affirms and expands extant findings revealing how entrepreneurs rooted in peripheral contexts react to the structural conditions around them. Methodologically, we demonstrate the value of phenomenological research in revealing the subjective ways entrepreneurial agency, structure and distance intersect. We highlight that policymakers must take the voices of entrepreneurs in a peripheral ecosystem into account when designing and implementing enterprise policies that aim to develop entrepreneurship in peripheral contexts.

Keywords: Entrepreneurial Ecosystems; Entrepreneurship; Phenomenology; Peripherality;

Peripheral; Regional Entrepreneurship; Constraints; Enablers

# 1. Introduction

"Entrepreneurship does not take place in a vacuum but in particular circumstances" (Stam and Welter, 2021, 265). Different geographies provide *particular circumstances* for entrepreneurs to grow business ventures. The concept of an entrepreneurial ecosystem refers to the particular circumstances and "elements" (Stam and van de Ven, 2021) that a distinct geography provides to entrepreneurs located within it, as they actively *do* entrepreneurship. Ecosystems represent "entrepreneurial economies" that "provide the context and support for start-ups to emerge and for innovative firms and ventures to grow" (Wurth, Stam and Spigel 2022, 744). Or, to borrow from the structure/agency interplay, ecosystems provide the wider *structure* which entrepreneurs in that structure *agentically* engage with as part of their business venturing.

Analysis of entrepreneurial ecosystems has burgeoned over the last decade, with several different lines of study emerging. (See Wurth, Stam and Spigel's 2023 discussion for a fuller insight). There are three things to note about extant examinations of entrepreneurial ecosystems that are especially relevant to our analysis. First, extant work has generally focused on examining established, 'core' ecosystems like Silicon Valley (Saxenian, 1994; Kwon and Sorenson, 2021) and other large metropolitan contexts where high-growth entrepreneurship exists. This focus on established ecosystems means less empirical attention on ecosystems that are 'peripheral'.

As our methods section considers in more detail, peripheral entrepreneurial ecosystems are ones where – in comparison with 'core' ecosystems - business growth is modest (if present at all), where entrepreneurial unicorns rarely develop, where different 'functional characteristics' of entrepreneurship are present (see Kang et al., 2021) and where less economic and human resources and elements are clustered. This means the structural context for entrepreneurship is less immediately obvious and visible in peripheral ecosystems (Liguori et al., 2019). Peripheral ecosystems are often, though not always, placed in regional geographies physically distant from established, core ecosystems. There is often a cognitive perception that people in peripheral ecosystems are less likely to succeed as entrepreneurs. "Peripherality is best understood as subordinate to the core" (Anderson 2000, 92). Accordingly, peripheral ecosystems are economically, cognitively and geographically distinct from and subordinate to core ecosystems. Epistemologically, it is acknowledged that peripheral ecosystems require empirical analysis (Credit et al. 2018; Muñoz et al. 2022) for a better understanding to emerge about how peripheral ecosystems are experienced.

Second, building on the epistemological assumption that 'entrepreneurial ecosystems are ... something that can be built – an organizational form which emerges' (Wurth et al. 2022, 734), extant work, often employing factorial analyses, has tried to identify the variables and measure the interplays that have enabled core ecosystems to emerge in the past (Johnson et al. 2022). Analysis has focused on identifying and measuring the factors that contributed to the emergence of Silicon Valley, which many see - perhaps mistakenly - as the epitome of a thorough ecosystem (Audretsch 2019; Kwon and Sorenson 2021). Factorial analyses occur in the hope of identifying and reproducing the conditions of Silicon Valley in the building of new entrepreneurial ecosystems in economically lagging structural contexts (Huggins and Thompsons 2020) via enterprise policy design (Jolley and Pittaway, 2019). The construction of a successful entrepreneurial ecosystem is seen as "cost-effective economic development" (Wurth et al. 2022, 754) by policymakers, who believe increasing entrepreneurship in a lagging region by implementing a successful ecosystem will develop regional economies and "lead to increases in social welfare through job creation, in-bound investment and redistributive taxes" (Wurth et al. 2022, 754).

Third, as we go on to explore, the notion of physical distance has not been incorporated into extant analysis of the lived experiences of entrepreneurs in ecosystems. How an ecosystem is experienced is intrinsically linked to how the ecosystem in question is physically positioned and geographically related to another ecosystem. However, analysis has not focused on how proximal distance directly impacts the experiences of entrepreneurs in peripheral contexts.

Against this backdrop, our paper empirically contributes to scholarship on entrepreneurial ecosystems by qualitatively addressing the research question: *how does physical distance from an established ecosystem enable and constrain entrepreneurship in a peripheral ecosystem?* To address this question, we focus on three urban entrepreneurial ecosystems which have significant physical distance between their location and the location of more established core entrepreneurial ecosystems. We are motivated to show how entrepreneurs rooted in these three ecosystems experience, perceive and respond to the 'distance' between their ecosystem and a more established core ecosystem.

Through our analysis, we make four contributions. First, we contribute by responding to calls for empirical analysis into the lived experiences of entrepreneurs in peripheral ecosystems to emerge. We position 'physical distance from the core' as a significant, hitherto understudied, analytical theme within qualitative ecosystem analysis and bring a level of cross-national consideration, currently lacking, into scholarship on how ecosystems are experienced. Second, we present empirics that both affirm and expand key findings in the extant literature on how entrepreneurs rooted in peripheral contexts experience and react to the structural context around them. We draw attention to the 'hidden' constraints and enablers of entrepreneurship that exist in peripheral ecosystems. Third, methodologically, we highlight how useful phenomenology is in understanding the nuances of entrepreneurs' lived experiences, as they unfold in ecosystems subjectively and individually. Building on our empirics, our fourth contribution is our emphasis on how important it is that policymakers listen to the voices of entrepreneurs in peripheral ecosystems and design policies concerning these voices. In addition, we outline the need for future research into distance to emerge, with longitudinal research offering especially interesting insights into the lived intersection of physical distance, peripherality and entrepreneurship.

# 2. Literature Review

#### 2.1 Entrepreneurial ecosystem scholarship: Going the distance?

Social, political, economic, physical and cultural elements combine in an ecosystem to enable and constrain business growth within it (Audretsch and Belitski 2021). More specifically, financial institutions, culture, networks, physical infrastructure, finance, leadership, talent, knowledge, demand, and intermediary services must coexist – to the right proportions – for an ecosystem to flourish (Stam and van de Ven 2021). Moreover, high levels of trust among an ecosystem's key actors are needed for an entrepreneurial ecosystem to develop (Theodoraki et al. 2018) and become 'resilient' (Roundy et al. 2017). A thriving ecosystem can 'spill over' into nearby spaces, bolstering local economies (Fischer et al. 2022).

Ecosystems are defined by variation (Liguori et al. 2019). One aspect of variation is distance. Some ecosystems have considerable physical distance between their geographical positioning and the positioning of another ecosystem. When physical distance exists between one ecosystem and another, it is possible that this distance fundamentally impacts the experiences of entrepreneurship. However, as noted in our introduction, despite much research into entrepreneurial ecosystems emerging over the last decade (see Cao and Shi 2021; Kansheba and Wald, 2020; and Wurth et al. 2023 for reviews) 'distance from the core' represents a neglected analytical concept among entrepreneurship scholars looking at the lived experiences of entrepreneurs in ecosystems. We do not know the role distance *between* ecosystems plays in shaping the experiences and perceptions of entrepreneurs, as they respond to and interpret the constraints and enablers of entrepreneurship around them.

Epistemologically, distance has been explored by economic geographers. Questions about how distance between the urban and the rural impacts rural economies and opportunities for entrepreneurship in the rural have been addressed by economic geographers (Giannakis and Bruggeman 2020; Thomä 2023). Economic geographers have also focused on distance as an empirical phenomenon that impacts commuting (Seharmur, 2006), conflict (Anselin and O'Loughlin, 2022) and trade (Gallego et al. 2023) between places. Moreover "economic geographers … have pointed to clear links between regional attributes and entrepreneurial behaviour and perceptions in the same regions" (Sternberg, 2022: 565), thereby suggesting geographies provide distinctive contexts for entrepreneurs as a result of geographies being physically distant from others. It is somewhat curious, then, that distance between ecosystems is absent within entrepreneurship scholarship.

When distance *has* been considered by entrepreneurship scholars, the focus has been on how distance facilitates territorial competition (Audretsch 2019; Colombo et al. 2019) and cooperation between different regions, places and cities (Lever 1999). While appreciating this work and agreeing with the sentiment that collaboration between ecosystems that are geographically far apart is needed (Theodoraki et al. 2018) it is fair to say this work has not so far investigated the lived experiences of being in a peripheral ecosystem that is physically distant from an established 'core' one. Hence, work has not shown the impact of 'distance from the core' on *doing* entrepreneurship in a peripheral geography, from the perspectives of entrepreneurs who experience this distance first-hand. Our research develops this line of inquiry.

# 2.2 Distance makes the ecosystem stronger? Experiencing peripheral entrepreneurial ecosystems

Our work, with its unique focus on distance from the core, builds on a small collection of studies looking at the lived experiences of entrepreneurs in peripheral ecosystems. As structural contexts, peripheral ecosystems create distinct challenges and constraints for entrepreneurs located in them (see Pugh and Dubous, 2021). Extant work suggests a lack of talent (Spigel, 2022) and a lack of finance (Long et al, 2023; Stam and Van de Ven, 2021) are structural features of peripheral ecosystems, which prevent entrepreneurship from occurring in them. However, empirical insights show entrepreneurs located in peripheral contexts responding to the structural conditions around them in qualitatively diverse ways, to give themselves the best chance of growing their businesses *despite* structurally induced constraints.

Entrepreneurs in peripheral contexts establish deep ties to the local community around them. For example, McKeever's (2015) ethnography of entrepreneurs in two ecosystems in Northwest Ireland; Korsgaard, Müller and Welter's (2021) study of two Danish ecosystems and Scheidgen's (2021) analysis of Berlin's ecosystems all show entrepreneurs in peripheral contexts forming very strong local networks and engaging with local communities to grow businesses, despite the structural level challenges they face. Peripheral ecosystems host and create different types of entrepreneurs (Scheidgen 2021). In this regard, Benneworth (2004) – looking at high-tech spinout firms located in the north-east region of England (UK), which coincidentally is a region in which one of the ecosystems we study (Newcastle Upon Tyne) is placed – shows entrepreneurs in a deprived region engaging with localised traditions and norms to aid their entrepreneurship and integrate into the local community. Literature shows entrepreneurs in peripheral ecosystems shaping the structural context around them, to bolster their chances of establishing businesses. For example, an examination of an entrepreneurial ecosystem rooted in the digital gaming sector based in Guildford, UK conducted by Xu and Dobson (2019) reveals local entrepreneurs building a unique entrepreneurial ecosystem through collaborative approaches with each other. This collaboration sees entrepreneurs develop a localized ecosystem that accommodates their specific needs and aspirations. For example, by attracting industry-specific talent and investment to the ecosystem.

Sometimes, a peripheral ecosystem is used by entrepreneurs located in it to drive entrepreneurship in the form of sales and firm reputation. In this regard, Collins and Cunningham (2017) show entrepreneurs in peripheral contexts in Western Ireland using the status of their location to satisfy a wider demand for 'authenticity' among international consumers. Likewise, Anderson (2002) shows entrepreneurs embedded in the Scottish Highlands emphasizing the hallmark of their geographical location and products, to sell to a global market that enjoys connotations of 'tradition'.

Relatedly, the concept of 'industry specialisation' has emerged, to suggest that groups of firms who offer similar products and services can cluster in a peripheral ecosystem, to create a localised context in which firms collaborate and challenge each other. This culminates in a peripheral context offering excellence and critical mass around a niche area. This concept is highlighted in Audretsch and Keilbach's (2004) analysis of how the regional Canadian ecosystems of Calgary and Waterloo have become industry specialists in gas supply and technology respectively. Similarly, focusing on the UK's video-gaming industry, Cabras et al (2017) show how pockets of excellence exist in regional, peripheral contexts outside of London.

[8]

More fundamentally, Vaessen and Keeble (1995) challenge the notion that peripheral ecosystems, as structural contexts, necessarily debilitate the growth aspirations of entrepreneurs located in them. Via survey data and through a comparison of growth-oriented SMEs in unfavourable and favourable British regional contexts, they point out that a lack of competition in peripheral ecosystems allows SMEs to grow in them, without challenge from rivals. From this perspective, being in a peripheral context enables rather than hinders entrepreneurship as the lack of competition in a peripheral context creates fewer challenges, especially for nascent firms. Felzensztein et al. (2013), looking at the Chilean context, compare entrepreneurs in peripheral ecosystems are more sanguine about business opportunities offered. Again, a lack of competition in peripheral contexts is significant here: opportunities are likely to come to firms in peripheral ecosystems as competition for those opportunities is less intense compared to the core.

Collectively, this body of work shows that while peripheral ecosystems create challenges and distinct lived experiences for entrepreneurs in them, entrepreneurs can shape the ecosystem around them to suit their needs and find competitive advantages from *being* in a peripheral ecosystem. Indeed, entrepreneurs can "transform what has been conventionally viewed as peripheral weakness into core business assets" (Anderson 2000, 92). Yet more empirical work into the lived experiences of entrepreneurs in peripheral contexts is needed (Credit et al. 2018; Cope 2005; Muñoz et al. 2022). This is especially true concerning the more specific question of how physical distance from an established core ecosystem impacts the lived experiences and actions of entrepreneurs in peripheral ecosystems.

# 3. Methodology

#### 3.1 Definition of peripherality

To address our research question, we focus on three peripheral ecosystems. It is important to clarify how we conceptualise and define a peripheral ecosystem. The primary feature we take into account is physical distance, specifically the physical distance between a peripheral ecosystem and an established core ecosystem. We agree that "if one is to define peripherality, one must do so in terms of its relationship to the core" (Anderson 2000, 93), which we do here chiefly in relation to physical distance *from* the core.

A further feature of peripherality that we take into account – accepted in literature - is the notion that a peripheral ecosystem has objectively less human, social and financial capital in it than a more established, 'core' ecosystem (see Acs and Armington 2004; Liguori et al., 2019). In a peripheral ecosystem, there are quantifiably fewer 'elements' in the form of demand, intermediaries, talent, knowledge, leadership, and financial capital than in an established, core ecosystem (Stam and Van de Ven 2021). This re-enforces the concentration of hegemony and resources in the core and exaggerates the lack of resources in the periphery over time, as explained by Anderson (2000, 93):

"key players and institutions are located in the core. They control and shape resources ... this creates a gravitational effect so that further developmental resources from throughout are intrinsically, and disproportionately, attracted to the center within the process of cumulative causation".

Our definition also incorporates cognitive peripherality. A peripheral ecosystem is associated with the cognitive perception - whether quantifiably true or not - that the act of

entrepreneurship is not 'for people like us' (people located in the peripheral) but more aligned to people located in the core. (See, for example, Johnson's 2004 analysis of how, in the UK, the regions of Greater London and the South-East are perceived very differently to other regions by business founders). As a result, it is assumed that ambitious entrepreneurs leave peripheral ecosystems for core ones, to find a 'fit' between their aspirations and their geographical structure. This flight further perpetuates and widens the gaps in resources – both cognitive and otherwise – offered in peripheral and established ecosystems over time.

# 3.2 Degrees of peripherality

Using our definition of peripherality, some peripheral ecosystems are more peripheral than others, or peripheral in different ways. In the three peripheral ecosystems, we study - Perth, Australia (14 interviews); Newcastle Upon Tyne, UK (10 interviews) and Palermo, Italy (10 interviews) - degrees of peripherality exist. Perth is not resource-constrained to the extent the other two ecosystems we study are. Perth is the fourth largest city on the Australian continent and is the ecosystem that entrepreneurs in Western Australia will gravitate to given its relatively high levels of elements in comparison with other geographies in the State. However, Perth is the most peripheral ecosystem. Also, Perth has relatively fewer elements than other established ecosystems in Australia, most notably Melbourne and Sydney, and is thus comparatively peripheral to them. Newcastle and Palermo can be considered peripheral on all criteria outlined above: they are physically distant from core ecosystems, they are perceived to be less conducive to entrepreneurship by internal and external actors in comparison with other geographies in them, and they are perceived to be less conducive to entrepreneurship by internal and external actors in comparison with other geographies in their nations.

That said, none of the three peripheral ecosystems we study represent contexts that are obviously not conducive to entrepreneurship occurring in them. These ecosystems are not very rural, sparsely populated places where no significant infrastructure for entrepreneurship exists. Rather we look at 'peripheral' ecosystems that have histories of entrepreneurship and industries occurring in them (e.g., mining and shipbuilding in Newcastle, mining in Perth, food production in Palermo), where significant population exists and where an urban infrastructure is present. Further, the contexts we study are not peripheral in the context of the regional geographies they are in: Perth is the epicenter of business in Western Australia, Newcastle Upon Tyne is the center of business in the North-East region of the UK and Palermo is the significant business hub in its region. But crucially, these ecosystems are peripheral relative to the core ecosystems that exist in their nations, which are much bigger in every measurement of what constitutes an established ecosystem (Acs and Armington 2004). Most significantly, the peripheral contexts we study are placed geographically distant from core ones, making them highly salient ones to study concerning our research question. Table 1 gives a further overview of the ecosystems studied and the degrees of peripherality that define them.

# -Insert Table 1 here-

#### 3.2 Approach, sample, and data collection

To address our research question, we adopted an interpretive phenomenological approach. Phenomenological inquiry aims to understand the subjective lived experiences of people embedded in a context (a peripheral context) who are actively involved in a phenomenon (entrepreneurship). "This methodology allows for the unearthing of phenomena from the perspective of how people interpret and attribute meaning to their existence" (Frechette et al. 2020, 1); "the purpose is to gain a more detailed picture of the phenomenon" (Berglund 2007, 83). Phenomenology has been used successfully in previous studies investigating how entrepreneurs subjectively interpret and relatively interact with aspects of the structural context around them (Jack and Anderson 2002; Pret et al. 2016) but is acknowledged as an underutilised approach in the field of entrepreneurship more generally (Cope 2005).

We conducted 34 semi-structured phenomenological interviews, which allowed individuals involved in entrepreneurship in peripheral entrepreneurial ecosystems to articulate their experiences of 1.) being in a peripheral ecosystem generally and articulating their entrepreneurial experiences to date; 2.) interpreting and experiencing the physical distance between their ecosystem and a core ecosystem; 3.) How physical distance between their ecosystem and an established ecosystem is significant in constraining and enabling their entrepreneurship. To obtain a varied perspective giving us phenomenological accounts from a range of entrepreneurial actors in peripheral ecosystems, we selected entrepreneurs from a variety of industries and businesses of different ages and sizes. Table 2 provides further details about the interviewees.

#### -Insert Table 2 here-

"The goal of the phenomenological interview is to gain a first-person description of some specified domain of experience, where the course of the dialogue is set largely by the participant ... The role of the interviewer is to provide a context in which participants feel free to describe their experiences in detail" (Cope 2005,176). Our interviews followed a template of open-ended questions, designed to capture phenomenological data on interviewees' relative experiences and reveal the subjective meaning interviewees attribute 'to distance from the core' in shaping their experiences. This flexible approach allowed us "to accommodate the richness inherent in the experiences of the participants while staying focused on the research question

and the phenomenon explored" (Berglund 2007, 83). Interviews in Newcastle and Perth took place in English. Interviews in Palermo occurred in Italian and were translated into English. All interviews were recorded and transcribed.

The authors are rooted in the three peripheral contexts studied. Two authors live and work in Newcastle, one author lives and works in Perth, one author used to live and work in Perth and one lives and works in Palermo. The lead author received funding to research entrepreneurs in Newcastle Upon Tyne. He reached out to colleagues in Perth and Palermo to obtain nationallevel data and utilise the generous funding he received. Epistemologically, distance was not something we initially aimed to research. At the start of our study, a small number of interviews took place with entrepreneurs in each ecosystem about their general experiences of being entrepreneurs. These interviews had no a-priori expectations about what we would research. During these early interviews, entrepreneurs in all three ecosystems mentioned 'distance from the core' – or words to that effect - as being significant in their experience, despite not being prompted to do so. Cognitive distance ('entrepreneurship is not for people like us here' (Uraia, Newcastle)) as well as physical distance ('we are so far away from the action up here' (Wendy, Newcastle)) was expressed in these interviews. From these beginnings, distance became a theme we researched iteratively, as data pointed to the importance of distance in interviewees' experiences and perceptions. It was serendipitous that all three locations in which the authors are placed have significant distance between their locations and the locations of more established ecosystems. The authors were able to approach entrepreneurs they know in the ecosystems, utilising their extensive networks of local entrepreneurs, to obtain people to interview and generate phenomenological data.

The cross-national focus of our study is significant. To date, comparative analysis of the lived experiences of entrepreneurs in peripheral entrepreneurial ecosystems has juxtaposed the

experiences of entrepreneurs in the same nation. (e.g., McKeever et al. 2015 on two depleted ecosystems in Ireland, Korsgaard et al. 2021 on two ecosystems in Denmark, Vaessen and Keeble, 1995 on British regional ecosystems and Felzenstein et al. 2013 on Chilean ecosystems). Our work analyses the experiences of entrepreneurs in peripheral entrepreneurial ecosystems located in three different national contexts. The phenomenological nature of our work means we are interested in the experiences of entrepreneurs in peripheral ecosystems intrinsically, rather than at the comparative, cross-national level. However, by analysing data from three different ecosystems, we were able to iteratively provide findings rooted in the experiences of entrepreneurs international structures, which may add richness to our data.

#### 3.3 Data analysis

Analysis of phenomenological data recorded during interviews was guided by the principles articulated by Cope (2005), Pret et al. (2016) and Bevan (2014). Each author read interviews, which were transcribed verbatim, to make sense of raw data. Each interview was summarised. Summaries made clear what each interviewee said about 'distance from the core' constraining and enabling entrepreneurship. Individual summaries were shared with individual interviewees, to ensure we had understood their interpretations and meaning. Data was then coded. In line with Bevan's (2014, 136) discussion on coding phenomenological data, our coding technique was "interested in describing a person's experience in the way he or she experiences it and not from some theoretical standpoint". Thus, quotations and anecdotes that relate to specific expressions about how distance from the core relates to interviewees' experiences were identified and aggregated in codes. The codes we used to group data are made clear in Figures 1 - 3 (Appendix A). The authors met on several occasions to discuss data and the codes used.

Coded data was used to inform iterative, inductive findings rooted in interviewees' voices. Our analysis considered findings relating to *each ecosystem* individually (revealing how entrepreneurs in Perth, Newcastle and Palermo experience distance from the core) and *at a cross-case level* (revealing what themes, if any, are common in how distance is experienced in all three ecosystems). Through analysis, we were able to answer our research question iteratively and inductively *in relation* to the interviewees' phenomenological voices. This is in line with Cope's suggestion that "to maintain an inductive approach … and to ensure sufficient phenomenological depth, emergent theoretical propositions were written up from the data" (Cope 2005, 179).

We interviewed a large number of people for a phenomenological study. This was partly due to access (we had so many individuals volunteering to be interviewed) and partly to do with funding that supported our data collection efforts. That said, the amount of data we recorded meant it was challenging to contextualise the richness of the data we captured. As discussed by Pret et al. (2016:1011) when reflecting on their experiences of analysing phenomenological data "while we managed to gain deep insights into the lived experiences of the entrepreneurs, immersing ourselves into the messy realities of their lives proved to be a challenging process". The amount of data we captured, coupled with the 'messy reality' of this data, caused us challenges in terms of managing it and finding meaning in it.

Because we have a relatively large number of authors - all of whom participated in reading data, coding data and using data to iteratively inform findings - we were able to manage this challenge to some extent: our large dataset was negotiated by a large team who focused on ordering that data and extracting meaning from it. We also approached understanding the

richness of our data in line with Bevan's (2014) suggestion: first, understanding interviewees' biographies and wider context, and subsequently focusing solely on 'appreciating the phenomenon' as that is articulated in data. In the context of our study, this means appreciating how distance was discussed and engaged with. This allowed us to focus on data pertinent to our research question and prevented us from being distracted by empirics that - though phenomenologically rich - are superfluous to our research question.

# 4. Findings

Findings are now presented, to discuss how distance is phenomenologically experienced as a factor that constrains and enables entrepreneurship in each peripheral ecosystem studied, according to the perspectives of those we interviewed.

#### 4.1 Perth, Western Australia

#### Distance as a constraint

Interviewees in Perth felt distance from the established ecosystems of Sydney and Melbourne constrains their entrepreneurship in several ways. One constraint encountered by entrepreneurs in Perth because of the ecosystem's distance from an established core relates to a perceived *lack of funding*. 'I think that finding money ... in Perth sucks' (Henry). As a result, to agentically overcome this constraint, entrepreneurs in Perth approach investors located in established ecosystems in Eastern Australia. Reflecting on his recent experience, Andrew said: 'Perth is still a funding sparse ecosystem. We just completed a series A financing, and the lead investors were from Melbourne, and the second biggest was actually from Sydney'. There is a perception, even acceptance, that funding is more readily available in Australia's established ecosystems, and Perth's distance from these ecosystems directly results in a lack of funding in

Perth's ecosystem. Other ecosystems which are smaller than Perth but which are geographically closer to Australia's established ecosystems (e.g., Adelaide) were seen as places with 'better' access to funding, on account of them 'being closer to the real action' (Mick). 'We are forgotten people and that is reflected in the local funding setup' (Colin); 'The East Coast will ignore you they don't know Western Australia exists. And certainly, the rest of the world doesn't know you, so it follows that the money doesn't make it out here' (Nick).

In addition, a *lack of talent* is perceived to constrain entrepreneurship in Perth. Start-ups compete with mining companies for talented individuals, with the latter able to pay more and offer more security. Colin observed: 'We are facing a major skill shortage in technology. Hiring technical talent is now 30% more expensive than it was this time last year ... Mining is going back and paying huge salaries to get good people, and people like us can't compete on a salary perspective'. Similarly, Brain stated 'The main hubs [Sydney and Melbourne] attract many more people. We're trying to find a CEO and it's very limiting in Perth because many people are taken up ... So, for a start-up trying to find someone in that space ... a non-existent pool of people. In the hubs, there is more talent available for startups to employ'.

Interviewees perceive a *lack of local governmental leadership* as a further constraint to entrepreneurship in Perth. Entrepreneurship does not appear to be a priority for the Western Australian Government. David mentioned: 'When they presented the budget, they were talking about how they can support entrepreneurs and small businesses, but I don't think they're putting the right energy. It's like small grants here and there'. In contrast, interviewees indicated that there are considerably more entrepreneurship support programs in established Australian ecosystems located in Eastern Australia. Kyle said: 'Consider the New South Wales Stone and Chalk example, the millions of dollars going into that center, the PR that they have

around it, the programs they run off it...I haven't come to such a comprehensive program in WA. I don't feel we've got the same level of leadership being displayed here'. Andrew pointed out: 'There are lots of examples where the Victorian government has been much more preactive than the WA government in supporting'. Distance between Perth and Victoria appears to prevent this leadership and support from heading into Perth's ecosystem.

The *lack of finance, talent and leadership* in Perth's ecosystem means a large number of aspirational start-ups in Perth will move to established ecosystems in Eastern Australia or the USA, to heighten their prospect of growth. The constraints of Perth as a structural context are overcome by such agentic acts, whereby entrepreneurs can develop in a structural context that offers them more opportunities concerning finance, recruitment of talent and governmental support as their entrepreneurship evolves. For example, Canva, an online graphic design tool launched in Perth relocated to Sydney following successful seed funding and has since become a unicorn. In reference to this, Ingrid stated: 'We haven't had entrepreneurs that have successfully developed successful companies who have stayed here. We haven't had Canva stay here to create stories and build trust that Perth is a capable place'. This affirms the notion that over time peripheral places become more peripheral, as key actors leave the space for core hubs.

#### Distance as an enabler

Simultaneously, Perth's distance from established ecosystems is perceived to enable entrepreneurship in the ecosystem. Perth's physical isolation drives its entrepreneurial community to 'stick together' (Emma) and 'help each other out' (Fiona) within a solidified local network. 'I think that our community here is very strong. Everyone has time to have a coffee with you and to bounce ideas off each other' (Mick). It was commonly suggested that established, core entrepreneurial ecosystems lack this interconnectedness and solidarity. Further, interviewees mentioned that the small number of actors that make up Perth's entrepreneurial ecosystem means it is *easier to become integrated in the ecosystem* than in established ecosystems, where access to 'players' is elusive. 'Because it is a small, connected system you're only one or two introductions away from the right person' (Fiona); 'The first advantage I think of here [Perth] is accessibility to people, mentors, and generally, ready access to senior people in organisations' (Nick). Distance from the cores thus creates a structural context that allows entrepreneurial agents to interact and connect with each other more easily in Perth's peripheral context. Perth's strong local network of entrepreneurs affirms findings in extant work, which shows entrepreneurs in peripheral places establishing close-knit relationships.

Some interviewees speculated that Perth's physical distance from established ecosystems is conducive to a type of 'scrappy', 'maverick' entrepreneurship occurring in the ecosystem, and also a 'spirit of resilience and determination' (Kyle) among Perth's entrepreneurs that is uncommon in established ecosystems. In this sense, distance creates a unique cognitive view and approach to entrepreneurship in the ecosystem. 'I feel that if you look at the startups over here, they're more much more... I'll use the word scrappy, because we've been called scrappy before and take that as a compliment ... We're much more willing to have a go and say, well, we'll build it ourselves' (Brian); 'Perth, has got a little bit of a maverick feeling about it. They're quite confident to look at investments, or investments into technology that are not of the traditional brands for that matter... I feel like there is a bit of bravery now because we've been so isolated' (David); 'People see Western Australia as a different breed of human, especially when you get to Sydney and Melbourne circles. They see you as an outsider, and they threaten you as an outsider to be frank. But I think that type of treatment also increases the resilience of people from Western Australia. We never say die. We always keep going'

(Fiona); 'There are two sides of being isolated. You are far away and therefore you feel a bit disconnected, but at the same time, that can give you a bit of a warrior sense. You can use adversity to your advantage and develop some robustness and fearlessness because your just have to get on and do' (Henry); 'It probably does come a little bit from our historical situation that because we're so far away from everything else, it forces us to be a little bit more stand-alone, and I think that creates an inventive, innovative entrepreneurial spirit; distance can be good' (Kyle).

Some interviewees, seeing entrepreneurship as an ongoing journey, perceive the ecosystem of Perth as a good one to 'start' a business in, possibly with a view to relocating to a more established ecosystem having acquired the right skills and entrepreneurial foundations. Perth is described as 'a good testing ground' (George), meaning 'if a business passes initial tests in Perth, it can then be moved to (an established ecosystem) for the next part of its journey' (David). Another interviewee suggested 'if you're looking at launching a business interstate or overseas, it's a good place to be able to make mistakes, because it's relatively isolated from everything else' (Mick). Hence, the mistakes associated with nascent entrepreneurship can be made and learned from in Perth, without future stigma in more established ecosystems, as that business evolves in a different place. These mistakes may be more severely punished in an established ecosystem, where competition is stronger and mistakes may be judged more harshly: 'The advantage is that it's probably less competitive here. It's easy to get cut through. We're a bigger fish in a small pond. And we're also less likely to compete with other firms in other cities' (Brain). We saw before how success stories leave the peripheral context of Perth to pursue growth trajectories in core hubs. Yet these empirics show the role of the periphery in wider, longitudinal business journeys that are fluid in terms of place, and which see entrepreneurs change their geography as their entrepreneurial journey develops.

[21]

Perth is recognized as a great *geography to live in*. As a structure, Perth provides a high quality of life. 'People are opting to live in certain locations based on lifestyle factors. I think that Perth ticks all the boxes in terms of lifestyle' (Brian); 'We have fantastic weather, pristine nature, a lot of outdoor activities, good schools, and a welcoming culture'' (Mick). Perth's residents are known for their laid-back attitude, which contributes to a positive work-life balance. Colin said: 'My entire team knocks off work early on Friday to head to the pub or, most often, to play a game of barefoot bowls by the Swan River. Just bare feet and beers. Everyone is called mate'. We saw earlier that because of Perth's constraints as an ecosystem, some leave the place to pursue opportunities in more established ecosystems. However, some entrepreneurs stay in the ecosystem, eschewing opportunities in established ecosystems, in order to enjoy Perth's lifestyle. Talent and startups will 'stay' in the space, forsaken growth in other established ecosystems, to retain the quality of life that the ecosystem affords outside of working hours. It is – in part – the physical and cognitive distance from established ecosystems that allows Perth to retain this aspect of its ecosystem, and for entrepreneurs in the ecosystem to benefit accordingly, outside of their working lives.

#### 4.2 Newcastle upon Tyne, UK

#### Distance as a constraint

Distance from the core ecosystem of London is perceived to constrain entrepreneurship in Newcastle for several reasons. One reason is access to finance. *Accessing finance* for entrepreneurship in Newcastle is considered more difficult than accessing finance in London. 'I know a lot of people who have moved because access to finance to support growth is a lot better and I think even if London is more expensive, there's an abundance of angel investors and venture capitalists. I've been toying with my new venture to approach US investors, because I need to grow, and the capital is not available here' (Xavier); 'I think, you know, we would probably have taken a lot of different paths with going to London, I think if we'd been based in London, I think you've got access to a lot more; there seems a lot more investors and things like that' (Quinton). This lack of finance means substantial risk is associated with nascent entrepreneurship in Newcastle. 'It was very hard to get finance ... without any track record ... So, I had to sell my house and put all the money in company' (Penny). This level of risk is perceived to impair entrepreneurship in the ecosystem of Newcastle, pushing local aspiring entrepreneurs into 'less risky' standard employment. This element of risk is not associated with 'starting up in the big smoke of London' (Victor).

This sentiment relating to how difficult accessing finance is in the ecosystem of Newcastle was not absolute in data, however, in the way the finding related to experiences in Perth. Three interviewees highlighted how accessible and helpful they had found local funding opportunities. 'We received help from three support schemes. There's a program called PNE Pioneers which is for sustainable startups specifically in Newcastle, and that's a government funded network with various experts like a marketing consultant, a lawyer, and an accountant, where we got free advice. Then there is another scheme called RTC North, which is quite similar but geared toward high growth companies, rather than just startups. But the bulk of our development has come from a loan that we got from NEL Fund, which, as you can tell by the name is North England-based. They have a pool of European-funded money that they allocate specifically to Northeast businesses' (Olly). Another interviewee commented: 'RTC advised me free of charge. It was very helpful to get this support without any red tape. We need more of this type of initiative in Newcastle' (Sophie). A third interviewee said: 'We were part of the NatWest accelerator in Newcastle, and that has been very beneficial in terms of connecting us. Previously, we got a fair bit of funding through EU grants that came through the region via the university. So, being close to a couple of universities in the Northeast is one of the main benefits' (Uria). Thus, the extent to which finance constrains entrepreneurship in the ecosystem of Newcastle in comparison with London – where finance is assumed by some to be more readily accessible – seems dependent on individual experience.

Interviewees all acknowledged that the labor pool in the Northeast is composed of individuals who 'are proud to work' (Penny) and 'who will try their best to work hard for you as workingclass people' (Tom); 'you can't fault their work ethic around here' (Wendy). However, interviewees highlighted that within this labor pool, there is a shortage of 'real talent'. Access to labour and talent constrains entrepreneurship in the ecosystem. This shortage in talent is not perceived to exist in London: 'I think that's the main one; I mean there are disadvantages; there's probably, you know, there's a lot more talent in London' (Quinton); 'However, one advantage they have in London over us in the Northeast is that they can get specialists ... If we want them, we must pay for travel and accommodation just for them to teach on a Saturday' (Sophie). 'Talented people' in the ecosystem (e.g., recent university students and skilled workers with experience) tend to leave Newcastle to take up opportunities in London, meaning local entrepreneurs find it 'very hard to recruit the right people up here' (Olly). When entrepreneurs recruit and train individuals, those individuals may leave Newcastle for London, taking their skills and experience with them, meaning entrepreneurship in Newcastle is akin to 'a merry-go-round of training people than losing people then training people' (Xavier). Further, it is difficult to persuade talented people to relocate to the northeast. 'Attracting those people who are in London to come and work for a Newcastle headquarter is difficult, so we probably exclude ourselves from part of the market' (Penny).

# Distance as an enabler

Despite these constraints, interviewees generally see Newcastle as a 'really good' ecosystem to launch a business in, with several enablers of entrepreneurship existing in the ecosystem because of its distance from London. Interviewees mentioned *low overhead and operating costs* as factors in the ecosystem that helped their entrepreneurship (e.g., cheap office space, affordable labor/lower wages, and 'good value' support services such as accountants, business consultants, graphic designers and IT specialists). In London, such resources are more expensive, meaning larger overheads and running costs. 'I had a few people asking me about what's the best place to start a business and they say that they are considering London ... But I tell them to start in Newcastle because ... They can start here because it's much easier, much cheaper in terms of office space, labor recruitment, and cost of living' (Rose). Proximity away from London thus reduces overheads in a peripheral context.

As noted earlier, the local workforce is considered particularly motivated, hardworking and loyal: 'We have seven ladies who work here; they're full of energy and really involved in the business. They're part of the success of this company' (Uria). There is a perception that attracting loyal workers is much harder in London, where the culture is 'dog eat dog' (Olly) and the size of the city prevents close-knit working relationships from being established. 'In the big smoke there is a sense that if I get a better offer, I will leave you, not so here, there is more loyalty. I've had people say look I can get more at x, can you match them, I will say sorry no can't afford that, they say ok well I will stay anyway. Now that's loyalty. No chance of that down there' (Xavier).

There is a *good physical infrastructure* (roads, railway, metro and port) in and around Newcastle 'Up in the North, it's just slightly easier to run a business. It takes much longer to

deliver things in the South' (Olly). Newcastle's physical infrastructure was contrasted with London's, which was said to be 'congested and overpopulated' (Sophie). Newcastle's peripherality means less human capital, but also less humans. This appears to improve the ecosystem as a physical infrastructure for entrepreneurship within.

Interviewees passionately suggested a 'them (London) against us (Newcastle)' (Wendy) attitude prevails in Newcastle's local entrepreneurial networks. Akin to the voices of interviewees in Perth, entrepreneurs in Newcastle identified a strong, solidified local community of entrepreneurs exist, with this community displaying an 'entrepreneurial spirit' that is unique to them and lacking in London. Interviewees are proud of the extent to which local entrepreneurs in the ecosystem 'work together' (Sophie) and 'support each other' (Wendy); 'so, you're able to build contacts pretty quickly and pretty strongly' (Olly). 'The network is probably more open, honest, and touchable up here. It's so big in London, this makes it difficult to have the exposure you have up here. It's a smaller market, so you get to know more people and the relationships are kind of deep-rooted' (Quinton). 'There are lots of good networks in Newcastle. I regularly attend the events organized by the 'entrepreneur forum' a big network of people who are starting a business or who are currently running a business. You can share ideas, experiences, all sorts of things, which is very helpful for a start-up like us' (Sophie). Interviewees juxtapose the business culture in Newcastle – which is said to be more authentic - with a 'cliched 'cutthroat' (Penny) one in London. 'I wouldn't have set up a business anywhere else. You can keep your ethos here and you can be true to yourself. And that's important to me. I am not one of the shiny suits. I want to be true, and we can be like that in the Northeast' (Sophie). The extent of this cultural and spatial divide was made clear in a particularly dramatic statement given by Tom who, when asked 'Would you ever try and work in the London market?' replied 'No way, I hate those cockney bastards, I like to do better than

them and show them that we up here are not to be looked down on by them. It motivates me to beat them and carry the flag for the North East'. Cultural and cognitive - as well as physical distance exists between Newcastle and London; this distance impacts the way entrepreneurs perceive and operate in Newcastle and grow businesses 'in relation' to the core with a sense of competition.

Relatedly, interviewees highlighted *loyal customers* and *strong customer relations* as enablers of entrepreneurship in Newcastle. Localized cultural rules and norms are perceived to demand 'friendly' interactions between entrepreneurs and their customers, which lead to sustained ongoing business relationships. 'We keep our relationship directly with our customers. And we have full control of our brand, and you can give the best customer service" (Rose). It was suggested that the sort of close-knit and longstanding customer relationships that are expected in Newcastle's ecosystem don't exist or are less likely to exist in London, with its 'coldhearted' (Sophie), 'money-obsessed' (Rose) culture, where the 'loyalty' inherent in Newcastle's business community is lacking. Again, this hints at a cultural distance between Newcastle and London, with this cultural distance creating particular relationships that are underpinned by local cultural norms.

#### 4.3 Palermo, Sicily

#### Distance as a constraint

Phenomenological data did not indicate any meaningful enablers of entrepreneurship exist in Palermo because of its physical distance from an established ecosystem. Rather, interviewees were very unenthusiastic about Palermo's ability, as a structural context, to enable entrepreneurship within it. In contrast, several constraints to entrepreneurship are experienced in the ecosystem because of its physical distance from established ecosystems, located in Milan and other major European cities such as London and Paris.

Palermo's ecosystem is defined by a *disconnected local entrepreneurial community*. It is perceived that there is little collective interest in local businesses 'helping each other' (Bob) in the ecosystem. Interviewees suggested: 'I should highlight the mistrust and defeatism that characterizes us' (Zack); 'there is a lack of civic mindset... Unfortunately, there are not a lot of people who take care of the place where they live for business' (Graham). Newcastle, Perth and other peripheral contexts looked at in extant literature are associated with strong, localized close-knit networks of entrepreneurs. This is not the case in Palermo. Palermo's lack of localized business culture and network is in contrast to established Italian ecosystems, where entrepreneurs are 'more serious' (Graham) and 'know the importance of working together' (Fred). Several interviewees expressed regret that they can't network with established and 'open' entrepreneurial communities in Milan, Rome and other major European ecosystems like London. The physical distance between these established ecosystems and Palermo is the reason why entrepreneurs can't collaborate with businesses in the core.

Culturally, entrepreneurs are 'not seen as role models' (Yasmine) in Palermo' 'Few young people aspire to launch their own businesses' (Zack) in the ecosystem. Rather, interviewees suggested entrepreneurial culture is 'frowned upon' (Bob) rather than celebrated; with rare local examples of successful entrepreneurship creating envy rather than admiration in the community: 'Unfortunately, envy and jealousy of successful people are common traits shared by many Sicilians ... business is no different' (Debra). Interviewees contrasted this localized situation with established ecosystems, where successful entrepreneurship is 'celebrated rather than seen as a source of jealousy' (Ian), and 'where more young people see business startups as a viable option' (Chloe). In turn, aspiring young entrepreneurs typically leave the ecosystem,

to develop and grow as entrepreneurs in established entrepreneurial contexts. This finding reveals the cognitive and cultural - as well as physical - distance between Palermo and established ecosystems.

A further factor constraining entrepreneurship within the ecosystem is *excessive bureaucracy*. Local government's complex even petty rules concerning business formation and management were mentioned by all interviewees as a major barrier to entrepreneurship occurring in the space. 'Doing business here is exhausting, especially when dealing with bureaucracy' (Ian); 'the mindset here is that starting a business is going to be a hard job and it is going to be very bureaucratic, like swimming is syrup... Instead of making it easier for you, they want to make you swim in the syrup for at least 200 meters' (Bob). More sanguinely, one entrepreneur suggested 'There is a silver lining ... I must point out that bureaucracy has been simplified in recent years, resulting in shorter waiting times, but it is still far too complicated to understand' (Alan).

Excessive bureaucracy is seen as a barrier to entrepreneurship that is a feature of Italian business – and Southern European business – in general. There is a perception that one has to start a business in London, Germany or Scandinavia to avoid this constraint. 'In London bureaucracy does not exist, or rather it is very simple ... In Italy it is not so, it is the entrepreneur who takes charge of understanding what are the necessary authorizations to open the company and the waiting times are very long' (Fred). Even being in the core of Milan was not seen as something that would overcome this constraint to entrepreneurship that underpins Italian culture. One must enter a different interanion geography rather than a national one to overcome this constraint.

Dealing with administrators can lead to *corruption* in the ecosystem. A minority of entrepreneurs interviewed have been asked to pay bribes to 'speed up' administrative processes. 'The approach of doing business in Sicily is to always look for a friend and acquaintance who works in that agency to facilitate the obtainment of authorization' (Alan). Relatedly, some interviewees mentioned the mafia as a potential constraint to entrepreneurship in the ecosystem. The mafia may extort protection money (pizzo) from businesses in its territory and demand that employers hire mafia associates. It seems, however, that after decades of anti-mafia action, this constraint is somewhat receding. Interviewees suggested that the stronghold that the mafia has historically held in the ecosystem had been particularly severe due to the ecosystem's proximity to Sicily – the geographical home of the Mafia - and that in established ecosystems, especially those in Western Europe, the constraints of corruption and organized crime do not exist to the same degree.

All interviewees lamented the ecosystem's *poor physical infrastructure*. Interviewees suggested the ecosystem has substandard roads, transport systems and sewage management. This infrastructure constrains entrepreneurship in the ecosystem. As one interviewee pointed out: 'because of the recent flooding in Palermo and because of a lack of maintenance of roads and sewerage systems in 30 minutes, we lost more than three million Euros of goods in our warehouse' (Chloe). Palermo's poor physical infrastructure was contrasted with 'quality' (Elaine) infrastructures in established – far away - Italian and Western European ecosystems. Government money – both Italian and EU – is perceived to be invested in these core geographies, with Palermo being 'forgotten and left behind' (Elaine) as a space.

The constraints discussed above mean it is not feasible to be 'based' in Palermo and 'seriously develop business' (Elaine). The assertion that Palermo is 'ok so long as you don't want to grow or be ambitious' (Fred) was expressed. Entrepreneurs in the ecosystem seem resigned to the

notion that they 'must accept and reluctantly live with' (Harry) constraints, or move to another, more established ecosystem. Interestingly, London was cited as the quintessential space where 'serious' entrepreneurs based in the ecosystem will migrate to, in order to agentically overcome Palermo's structural constraints. Milan was seen as more conducive to entrepreneurship than Palermo, but not as conducive to Entrepreneurship as London. Such comments suggest that there are degrees of national as well as regional peripherality.

#### 4.4 Cross-case analysis

We also conducted some cross-case analysis. Table 3 visualizes findings at a cross-ecosystem level and highlights the constraints and enablers of entrepreneurship that are perceived and experienced in each peripheral context studied. Phenomenology is not epistemologically concerned with generalizability or case comparison per se. Rather, phenomenology is interested in the subjective ways people experience a phenomenon. However, it is qualitatively interesting to see which constraints and enablers are perceived to exist by entrepreneurs in each ecosystem, because of the way physical distance impacts how that ecosystem is experienced.

#### -Insert Table 3 about here-

While all three ecosystems vary in their degrees of peripherality, it is interesting to note how similar Perth and Newcastle are, as structural contexts, in constructing perceived constraints and enablers of entrepreneurship for entrepreneurs located in the ecosystems according to interviewees. In contrast, Palermo is – as a structure – an anomalous case: as an ecosystem, Palermo fails to provide enablers of entrepreneurship, but constructs several perceived constraints, which are unique to its context.

# 5. Discussion

How does physical distance from an established ecosystem enable and constrain entrepreneurship in a peripheral ecosystem? Our study has addressed this question, making three main contributions.

First, we have contributed by responding to calls for work which empirically explores the perspectives of entrepreneurs located in peripheral ecosystems (Muñoz et al. 2022; Credit et al., 2018). We have responded in particular by investigating how 'distance from the core' – a hitherto neglected theme - impacts the experiences of entrepreneurs in peripheral ecosystems. Our analysis has a cross-national focus, allowing us to investigate how 'distance from the core' is phenomenologically experienced by entrepreneurs located in three distinct peripheral ecosystems placed in different national contexts and which have degrees of peripherality operating in them. Our cross-national focus is novel, given that related work to date has focused on one ecosystem or peripheral ecosystems located in the same national context (McKeever et al. 2015; Ireland, Korsgaard et al. 2021; Vaessen and Keeble, 1995, Felzenstein et al. 2013). This approach has allowed us to investigate how specific elements combine in peripheral ecosystems because of their distance from a core hub, to create subjective experiences in the lives of entrepreneurs within them, as these entrepreneurs perceive and react to the particular structural conditions around them.

Our second contribution is methodological. We used phenomenological data to explore how distance from an established ecosystem is perceived to constrain and enable entrepreneurship. Our findings provide insights into the lived experiences of entrepreneurs in peripheral ecosystems that are especially qualitatively rich. Our work acts as further evidence to show the value of using a phenomenological approach in studying the lived, experiential aspects of

entrepreneurship. Phenomenological approaches create a richer, contextual understanding of how entrepreneurship is lived and perceived in general (Cope 2005), and in relation to the wider structural conditions that host entrepreneurship in a particular context. Moreover, our methodological approach adds further to ongoing discussions concerning contextualisation research and methodology (see Verver and Koning, 2023; Zayadin, et al, 2020). Our approach further illuminates the value of adopting different methodological approaches combing with cross national data thereby allowing "for an in-depth understanding of the various forms of 'everyday entrepreneurship'" (Ben-Hafaïedh et al, 2023, 7).

Our third contribution relates to how we expand, challenge and affirm existing findings and trends in ecosystem literature. The overarching theme in existing literature that qualitatively explores the lived experiences of entrepreneurs embedded in peripheral ecosystems shows that strong, close-knit networks form in peripheral contexts (Benneworth 2004; McKeever, Jack and Anderson 2015; Korsgaard, Müller and Welter 2021). Our analysis affirms this particular finding, with entrepreneurs in Perth and Newcastle identifying close-knit local entrepreneurial networks – and access to these networks – as being defining features of how they experience their ecosystem. Physical distance from the core appears to push entrepreneurs in peripheral contexts to form close-knit relationships, possibly to compensate for their distance from the core. This physical distance provides a common focal point among entrepreneurs to build close simmelian ties within the peripheral entrepreneurial ecosystems. This common focal point embodies a place-based identity that provides a foundation from which entrepreneurial ecosystems can grow and evolve to meet common and distinct needs of entrepreneurs. The 'distant from the core' ecosystem is used a means to mobilise entrepreneurs in peripheral ecosystem. In essence the physical distance provides an "anchoring point" (see O'Connor et al, 2017), "a sense of community" (see Malecki, 2018) as well as some tangible supports for entrepreneurs. Distance from the core contributes to building of "place based collective identity" (Hasim and Sopp, 2022) that can contribute to overcoming some of the peripheral ecosystem constraints that shapes a peripheral ecosystem identity. Consequently our study furthers the very limited empirical focus on ecosystem identity (see Warren, 2004; and Neumeyer et al., 2019). Although, as noted, the ecosystem of Palermo represents an outlier in this regard.

Concurrently, our analysis has identified factors *in addition* to the presence of strong local networks that enable entrepreneurship to happen in peripheral contexts; but which extant analysis has failed to recognize or has underplayed. Cheaper costs, good physical infrastructure, strong customer relationships, a high quality of work/life balance and a loyal workforce with a strong work ethic were all found iteratively to be important enablers of entrepreneurship in peripheral ecosystems. Further, we found distance from the core can create a particular cognitive mindset among entrepreneurs in peripheral ecosystems, who will compete with entrepreneurs in established hubs through a 'them and us' cognitive mentality and who are willing to try 'scrappy' forms of entrepreneurship. We also found that distance from the core encourages entrepreneurs to start up and 'test the market' in a peripheral context, before moving on to an established hub, having received market validation; revealing how geographies and distance intersect within longer, unfolding entrepreneurial journeys. These findings add further, new insights to existing work and counter-narratives about how peripheral entrepreneurial ecosystems are negatively experienced (Pugh and Dubois, 2021).

In addition, our analysis reveals how entrepreneurship is constrained in peripheral contexts because of distance from the core. We found a lack of local talent impairs entrepreneurship in peripheral contexts. This finding has been highlighted as a constraint in other studies (see Spigel, 2022) and our work provides further evidence of this constraint, and how it is experienced. Moreover, we found that an absence of finance is a feature of peripheral ecosystems that constrains entrepreneurship. This constraint has also been identified in other studies of peripheral entrepreneurial ecosystems (e.g. Long et al., 2023; Stam and Van De Ven, 2021) and we provide empirical evidence that extends the conceptualisation of this challenge. Our study also identified otherwise hidden features of an ecosystem – such as crime, corruption, envy and bureaucracy – that constrain entrepreneurship in peripheral contexts. These novel findings are salient as they point to how distance from the core creates unique challenges for entrepreneurs in peripheral contexts.

#### 5.1 Implications for Policy

Numerous attempts to design and implement enterprise policies to boost 'lagging' peripheral socio-economic contexts have taken place (Jolley and Pittaway 2019); though these attempts have often lacked success (Lerner 2009). A reason for this lack of success may be due to the 'one size fits all' approach that has underpinned much enterprise policy design; by which we mean an approach that assumes what worked in creating a successful ecosystem in one place and time can create a successful ecosystem in another place and time. More critical analysis has suggested that attempts to replicate the conditions and elements of an established ecosystem in another place are unwise, and even problematic (Lerner 2009; Lee and Rogriguez-Pose 2021).

A classic example of this mistake exists in Saxenian's (1994) illustration of how highly educated Asian immigrants played a fundamental part in the development of Silicon Valley when it was a nascent, emerging ecosystem. Asian immigrants facilitated enterprise between Silicon Valley and their home countries. Without Asian immigrants, Silicon Valley would probably not have evolved into an eminent ecosystem. However, Asian immigrants may not be present in other contexts so trying to recreate aspects of Silicon Valley's ecosystem in a different space will not automatically lead to growth, for key ingredients (e.g., human capital) necessary for the evolution of an ecosystem will be lacking. In this sense, "merely investing in capital may not be enough to secure entrepreneurship leading to greater innovation and high rates of economic growth, especially the type of transformative renewal required in economically lagging regions" (Huggins and Thompson 2020, 574); for those lagging contexts lack the necessary human capital and associated agency.

In mind of our findings, we contribute by providing empirical evidence to show why policies aiming to bolster entrepreneurship in peripheral ecosystems should not be 'developed' generically and with an eye on 'what worked elsewhere'. Rather, policies should be developed in line with localised needs; in ways that are sensitive to the particular constitution and endogeny of an ecosystem (Korsgaard, Muller and Welter 2021). If we extend this sentiment at a practical level in relation to the three ecosystems studied, we see how each ecosystem provides strengths and weaknesses for entrepreneurs placed in them. Policies should be designed locally, with these strengths and weaknesses in mind. Hence policies designed for Palermo should focus on challenging the disconnected entrepreneurial community and bureaucracy that exists there. In contrast, policies in Perth and Newcastle should focus on improving access to finance for local entrepreneurs while further accentuating the solid local entrepreneurial communities in the ecosystems. Our study illustrates it is only by listening to the voices of entrepreneurs in a particular ecosystem that the essence of that ecosystem - as a structure that enables and constrains entrepreneurship - can be understood and thus improved through policy. In this sense, Muñoz et al. (2022: 11) are right to call for enterprise policies that target the needs of peripheral ecosystems "from the ground up", which means listening to the needs of people in peripheral ecosystems as they are articulated by local actors -

appreciating phenomenology's ability to do this - and then designing policies which target these needs.

### 5.2 Opportunities for Future Research

In terms of future research into entrepreneurial ecosystems, we are especially motivated to point to the benefits of longitudinal research. Entrepreneurial ecosystems change. The structural context around entrepreneurial actors is not static but unfixed and fluid (Cantner et al. 2021). An ecosystem that is considered peripheral can evolve to be less peripheral, for example in terms of the resources and elements it offers. Likewise, an entrepreneurial ecosystem may see its infrastructure erode over time, becoming less conducive to hosting entrepreneurship within it. The fluid nature of ecosystems represents future research avenues. Specifically, we suggest studying the experiences of entrepreneurs in ecosystems as ecosystems change and develop. How 'distance from the core' relates to the lived experiences of entrepreneurs in peripheral ecosystems, *as these ecosystems change over time*, presents a specific question we hope will be explored.

Our data reveals entrepreneurs highlighting how conducive peripheral entrepreneurial ecosystems are in providing market validation, as entrepreneurs' journeys unfold. Further studies are needed to better understand the processes and activities that entrepreneurs experience in undertaking market validation in peripheral contexts and also how they come to engage with distance as their entrepreneurship evolves (e.g., by moving to an established ecosystem and integrating into it, having received validation in a peripheral context). Again, longitudinal analysis offers the best way for these insights to emerge.

The entrepreneurs we interview are not involved in high-growth entrepreneurship and are not focused on growing businesses in international markets. Instead, we studied small businesses

and focused on local and occasionally national markets, with growth being limited or undesired. This is a reflection of the nature of entrepreneurship in peripheral contexts. Future work could benefit from focusing on how distance from the core impacts entrepreneurs in peripheral ecosystems who are presiding over high-growth entrepreneurship and who have international market engagement or aspirations. Does the scale of one's entrepreneurship impact the way distance from the core is interpreted and engaged with? A phenomenological analysis that focuses on the voices and experiences of specific types of growth-orientated entrepreneurs in peripheral ecosystems is needed to answer.

Our study is concerned with how distance from the core is interpreted by entrepreneurs. But an entrepreneurial ecosystem is made of stakeholders in addition to entrepreneurs, such as entrepreneurial educators, investors, those who once had businesses but no longer do, those who are considering forming businesses in the future and local government and policymakers. Adding more voices to our study would not be in line with the ontological underpinnings of phenomenology, as more voices could cloud the richness of our data and present insights into typologies of lived experiences that we are not chiefly focused on. However, opportunities exist for future research to consider the experiences of a more diverse range of actors – in addition to entrepreneurs - rooted in a peripheral ecosystem, to see how these actors interpret and respond to distance from the core, in mind their specific roles and interpretations of distance.

All those we researched are White. One's race has a profound impact on how they experience an ecosystem. (See, for example, Giazitzoglu and Korede's 2023 insight into Black, African immigrant entrepreneurs residing in peripheral British ecosystems, and how their ethnic identities create particular experiences). The extent to which distance from the core impacts entrepreneurs with racial identities – and other identities – that make them marginal entrepreneurs in peripheral ecosystems is a further line of inquiry worth pursuing.

#### 6. Conclusion

Our work has positioned 'distance from the core' as a significant, hitherto neglected, theme in ecosystem analysis. We hope distance from the core will not be neglected in the future, as ecosystem analysis develops in a way that is sensitive to the impact of distance from the core on entrepreneurs' lived experiences. Here, we conceptualize distance in a multifaceted way, taking into account physical geographic distance from the core and also cognitive distance from the core. The latter shows how distance impacts entrepreneurs' phenomenological experiences, as they contend with the *conceptual notion* that their physical isolation from a core hub impacts their entrepreneurship heuristically, as 'outsiders' who are geographically and culturally 'othered' and marginalized from their nation's business hub(s). The former reveals the structural, practical constraints and enablers that physical distance from the core creates. We suggest distance remains conceptualized in multifaceted ways in the future.

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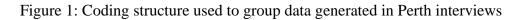
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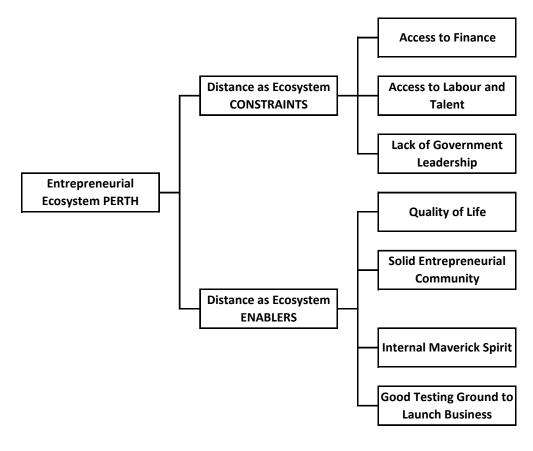
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# **Appendix A**:

Codes used to group data which emerged during interviews, revealing how constraints and enablers are perceived (at individual ecosystem level)





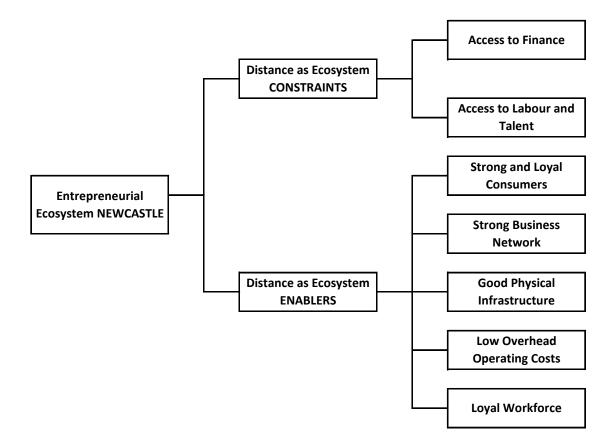


Figure 2: Coding structure used to group data generated in Newcastle interviews

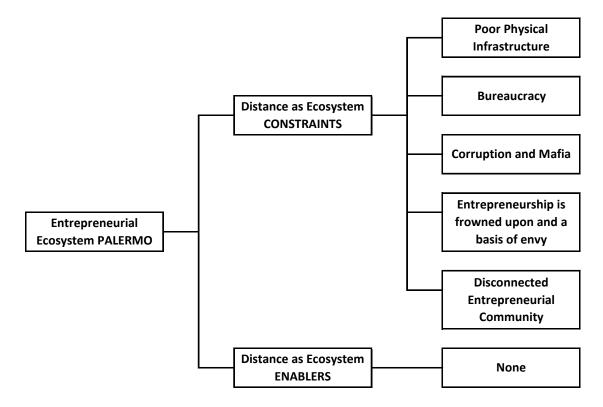


Figure 3: Coding structure used to group data generated in Palermo interviews

Ecosystem	General information about the ecosystem	Distance of the ecosystem from a core ecosystem
Perth, Western Australia Palermo, Sicily, Italy	<ul> <li>Perth's economy is highly reliant on its mining industry. The 'boom-and-bust' cycles of Perth's mining economy spill over into Perth's economy more generally, causing periods of instability.</li> <li>In 2018/2019 Perth entered its 5<sup>th</sup> consecutive year of no economic growth in relation to GDP.</li> <li>Perth - and Western Australia more broadly - are perceived as "over east" and less relevant to Australia's business and political infrastructure than Eastern geographies.</li> <li>Italy has traditionally been characterized by a north-south divide. There is an affluent northern geography around the Milan-Turin-Genoa industrial triangle. In contrast, the south of Italy is less developed socio-economically.</li> <li>Sicily's GDP per capita is 40 % lower than in the northern region and it has faced perennial structural problems: notably emigration, low investments, and high unemployment (Felice, 2018).</li> </ul>	<ul> <li>The nearest Australian city of at least 100,000 people (Adelaide) is more than 2,000 km away.</li> <li>Perth is on the other side of Australia from the two main business ecosystems: Sydney (3,290 km away) and Melbourne (2,700 km away).</li> <li>Sydney is ranked 26<sup>th</sup> and Melbourne is ranked 33<sup>rd</sup> in the world according to the UN's largest city economy by GDP index. These are the only Australian cities on the list.</li> <li>Melbourne accounted for 40% of Australia's growth in 2018/19.</li> <li>Palermo is separated from the rest of Italy by a strait 3.1 km wide. Palermo is only 140km from the African shore.</li> <li>Sicily is the most Southern region in Italy. It is located 409 km from Rome, the capital city, and 886 km from Milan, the main business hub in Italy.</li> <li>The Milanese Metropolitan area is ranked 32<sup>nd</sup> in the world by the UN's largest city economy by GDP index. It is the only Italian area to be ranked in the UN's Largest city economy index and thus represents the core ecosystem in Italy.</li> </ul>
Newcastle Upon Tyne, UK	<ul> <li>Newcastle and its surrounding areas were once synonymous with coal mining and shipbuilding.</li> <li>The region has been undergoing a transition since the 1980s when its industrial past was ended.</li> <li>Benneworth (2004, 445) described the Northeast – which</li> </ul>	<ul> <li>Newcastle is the most northern city in England.</li> <li>It is the final urban geography separating North-East England from Scotland.</li> <li>Newcastle is located at the opposite end of England from England's capital city, London (400 km away) and more prosperous southern regions.</li> </ul>

Table 1. Studied Ecosystems

Newcastle is the business epicenter of – as a "peripheral industrial region" with "a specific regional economic problem composed of several distinct elements, including its domination by mature manufacturing activity, high levels of unemployment and a poor track record in entrepreneurship and technology development.").	<ul> <li>London is ranked 5<sup>th</sup> in the UN's largest city economy by GDP index and represents the UK's core ecosystem.</li> </ul>
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Interviewee	Year business	Number of employees					
pseudonym	was established		Industry				
Perth, Western Australia							
		25	Biotechnology				
Andrew	2010		Laboratories				
Brian	2018	6	Professional Services				
Colin	2019	5	IT				
David	2001	12	Leisure				
Emma	2020	7	Finance				
Fiona	2017	4	Finance				
George	1999	10	Construction				
Henry	2012	5	Technology				
Ingrid	2003	1	Consumer Goods				
Jenny	2007	9	Financial Technology				
Kyle	2019	4	Leisure				
Liam	2016	4	Mining services				
Mick	2019	3	Health				
Nick	2019	35	Health				
Newcastle-Up	oon-Tyne, United K	lingdom					
Olly	1999	19	Transport				
Penny	2001	3	Baby Clothing				
Quinton	2017	2	Training				
Rose	2009	5	Animal Care				
Sophie	2020,	2, plus 5 in recruitment	Dance				
Tom	2012, 1 (plus 3	1 plus 3 contractors	Golf				
	contractors)		Gon				
Uraia	2020	1	Ready Meals Industry				
Victor	2015	5	Information Technology				
Wendy	2012	4	Marketing/Branding				
Xavier	2008	25	Recruitment				
Palermo, Sici	ly, Italy						
Yasmine	1995	5	Retail				
Zack	2001	35	Restaurant				
Alan	2015	5	Ice Cream				
Bob	2005	5	Retail				
Chloe	1980	15	Food				
Debra	2018	3	Entertainment				
Elaine	2019	6	Cleaning				
Fred	2018	3	Furniture				
Graham	2012	7	Wine				
Harry	2020	2	Transport				
Ian	2027	5	Ceramics				

Table 2. Interviewees and their Businesses

Constraints	Perth, Australia	Newcastle Upon Tyne, UK	Palermo, Italy
Lack of Access to Finance	•	•	
Lack of Local Talent	•	•	
Perceived Lack of Leadership and onus on entrepreneurship in Local Government	•		
Weak Local Entrepreneurial Network and Culture			•
Over Bureaucratic Systems Specific to the Ecosystem			•
Corruption & Crime in the Ecosystem			•
Lack of Suitable Physical Infrastructure			•
	En	ablers	
Local Culture and Networks in the Ecosystem Supports Entrepreneurship	•	•	
Access to Local Finance (e.g. Grants) Facilitating Entrepreneurship		•	
Access to Key Players in the Ecosystem	•	•	
<i>Ability to 'test ideas' in the Market</i>	•		
Loyalty and Work Ethic of Local Workforce		•	

# Table 3: Perceptions of Constraints and Enablers in each Ecosystem

Quality of Life: Attracting and Retaining Talent	•		
Physical Infrastructure Enabling Entrepreneurship		•	
Lower Costs are Conducive to Entrepreneurship		•	