



# **Responses to peripheralisation: a literature review on bottom-up strategies by business enterprises, social enterprises and households in peripheral areas**

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## 1 Introduction: Bottom-up strategies in peripheralised areas

The study of peripheralisation processes has attracted scholarly attention in the recent years. In response to increasing sociospatial inequalities in Europe and elsewhere scholars have tried to understand the emergence and reproduction of spatial polarisation and inequalities between metropolitan and non-metropolitan areas and the social, economic and political factors driving them. In contrast to traditional geographical definitions, this research does not conceptualise peripheries as clearly defined and stable areas characterised by geographical remoteness but sees them as socially produced (Hoerschelmann et al *forthcoming*, Kühn 2014, Fischer-Tahir and Naumann 2013, Lang 2011, Barlösius and Neu 2008).<sup>1</sup> There are different theoretical traditions that are used to analyse the emergence and reproduction of peripheralisation and spatial polarisation processes in general: Kühn (2014), for example, distinguishes between theoretical approaches focusing on economic polarization theory (Myrdal, Hirschman), social inequality theories focusing on marginality (Kreckel, Wacquant) and political power theories like dependency theory (Friedmann) and world-systems theory (Wallerstein). Despite significant differences between these theoretical traditions – drawing upon neo-Marxist or neoclassic models and focusing on different (economic, political, social or symbolic) aspects of peripheralisation processes – , these theories have in common that they offer macro-explanations of spatial polarization and focus on both structural processes and socioeconomic effects of peripheralisation. In comparison to these macro-theories, there is however relatively little work done on how actors that are subjected to processes of spatial polarisation and respond to and actively deal with them. Dominant theoretical approaches tend to locate little or no agency within peripheries in shaping uneven development and conceptualise places, and people associated with them, as victims of external processes that have limited local capacities for decision-making (cf. Beetz 2008).

In response to the structuralist propensity in the literature on spatial polarisation, this paper seeks to identify and review existing literature that foreground bottom-up strategies in dealing with peripheralisation. It is based on the assumption that peripheralisation does not only work as a structural process driven by the logic of capitalist production and political governance but is actively negotiated by a multiplicity of actors. Alongside with the dominant theoretical approaches, a significant body of literature has emerged since the 1980s that emphasises the room for manoeuvre within peripheral areas, the ability to adapt to peripheralisation and to find innovative solutions that stimulate economic activities and infrastructural and social developments. Several new approaches in the scholarly literature have helped to diversify conceptualisations of peripheries and peripheralisation processes. Within the literature on political economy, Doreen Massey (1984) for example suggested a more active conception of place whose development is not solely the result of external decisions by the capital (cf. debate between Harvey 1994, Massey 1995). She foregrounded local activities of people who sought to defend their place in the face of its systemic exploitation (cf. Hudson 2001). Furthermore, alternative approaches like institutionalist approaches as well as the ‘cultural turn’ in the social sciences have influenced how places and sociospatial relations are conceptualised. These approaches have led to a more differentiated scholarship on peripheralisation processes. They allow us to ‘zoom in’ and reach a better understanding of the activities of local entrepreneurs and firms, politicians, civil society and other actors in peripheral areas.

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<sup>1</sup> This focus on the social production of peripheries means also a shift in the conceptual vocabulary *from periphery to peripheralisation*, a processually and relationally defined concept.

The working paper aims to provide a preliminary summary and critical discussion of this literature on bottom-up strategies to peripheralisation. To make the literature manageable, it focuses on *three key sets of actors* in peripheralised settings: business enterprises, social enterprises and households and their *economic practices*. Political administrations and local governance processes as well as the activities of trade unions and civil society organisations are not included in the analysis. Furthermore, with the focus on economic practices discursive practices were not included in the analysis despite constituting an important element of peripheralisation processes (cf. Miggelbrink and Meyer 2013, Beetz 2008 and the literature on territorial stigmatisation Wacquant 2007). The literature is reviewed analyses existing studies using three key questions:

- How is *peripheralisation* conceptualised in the literature?
- How is agency accomplished in peripheralised settings ? What bottom-up *strategies* to deal with peripheralisation do scholars identify?
- How is the *outcome* of these strategies evaluated? How much room for manoeuvre do the authors assign to actors in peripheralised settings?

In presenting these different actors and their strategies, the review aims to point out pathways for studying peripheralisation that take agency of local actors into account. Furthermore, by reviewing literature on social enterprises and households alongside with business enterprises, it points to the importance of considering not only actors in the mainstream economy but also other actors that are often not considered as relevant in regional and local development programmes. Mainstream planning and policy approaches tend to disregard the social practices of households and other actors in peripheral regions. Thus, their local responses to peripheralisation processes remain unnoticed and are not supported. In contrast, this paper considers a broader range of actors and, following Dawley et al, thus emphasises the “need to keep hold of questions of the social and economic welfare of individuals, households and communities” (Dawley et al 2008, 283, cf. Beetz et al 2008). While business enterprises clearly constitute the largest part of the analysed studies on bottom-up strategies in peripheral areas, the literature review also shows us that there is interesting body of scholarship on the strategies of other actors that brings forward a broader understanding of the local negotiations of peripheralisation processes.

Peripheralisation is a contested term that is assigned with different meanings in different disciplinary and research contexts. One of the main differences in the reviewed literature lies in the conceptualisation of place and space within these studies: whether studies work with a territorially fixed understanding of peripherality or see peripheralisation as process constituted by sociospatial relations and dependencies. Despite discussions on the social production of space and core-periphery relations, much scholarship on the activities of enterprises and social enterprises uses a territorialised understanding of peripherality that assigns certain spaces fixed characteristics. In doing so, it treats peripheries as territorially fixed entities within which enterprises are located and activities take place. For example, within the literature on business enterprises where peripheralisation is commonly understood in terms of geographical remoteness or settlement density (i.e. rural areas). Similarly, while few existing studies on the social economy in peripheries, treat peripheralisation in terms of broader socioeconomic dependencies and lacking infrastructure they still tend to use a territorially fixed understanding that is taken as a given. One the other hand, studies on households usually work with a different conceptualisation of peripherality (and marginality), defining it as the outcome of sociospatial relations which are constituted by multiple actors and at multiple spatial scales. Thus, regions are seen as materially (and discursively) constructed rather than taken for granted.

Furthermore, there are also differences in how much theories are informed by policy-making and planning. Rather than analysing the (re)production of peripheralisation, scholarship informed by planning perspective addresses peripherality both as an unwanted condition and as something that can be tackled. Looking at positive examples and concrete strategies to combat peripherality rather than analysing the underlying dynamics that constitute certain places and people as peripheries in the first place, particularly studies on business enterprises and social enterprises adopt such a planning perspective.

### **Scope**

In relation to these three key sets of actors, literature from a variety of disciplinary backgrounds (planning theory, economic geography, sociology and political sciences) were identified, focusing on newer literature since the 2000s that has been published in journal articles. Furthermore, a particular focus of the literature search lied on existing empirical studies. One of the main challenges was to define the scope of the literature. There are only few bottom-up studies, which explicitly use the concept of 'peripheralisation', which made it difficult to define the subject matter. Instead of referring directly to 'peripheralisation', studies looking at uneven spatial developments, economic dependencies, rural and old industrial areas and border areas as well as marginalisation and post-socialist transition deal with relevant spatial processes. The literature search was widened accordingly to include these studies that fit into the broader framework of peripheralisation. To give readers the chance to situate the reviewed literature better, the literature review includes a separate section, which aims to clarify how peripheralisation is conceptualised by authors.

Due to the vast and heterogeneous character of the literature on bottom-up strategies, the literature review does not claim to be exhaustive. It does however identify some dominant tendencies within the literature. Alongside with the parameters mentioned above, there is one additional restriction to the literature under consideration. The literature review reviews the bottom-up strategies of business enterprises, social enterprises and households separately. In doing so, it does not consider one important body of scholarship – works on the political economy of regions that have started to look at the interaction of macro and micro processes and how different actors and organisations interact with each other (for example, Hudson 2005, Dawley et al 2008). These works offer an important corrective for studies that tend to focus predominantly on local dynamics and possibilities. I will return to them in the end of the paper.

### **Structure**

The literature review is structured in four main sections. In the sections 2-4, the literature on business enterprises, social enterprises and households are discussed separately following the key questions identified above. Lastly, a comparison between the three sets of literature is made and some suggestions for further research are outlined.

## **2 The strategies of business enterprises: Networking and innovation for stability and growth**

The literature on business enterprises is the most prominent strand of research within the literature on bottom-up strategies in peripheries. There are a significant number of theoretical works and empirical studies dealing with business performance, networking strategies and innovative activities

outside of metropolitan areas, focusing on the activities of SMEs and larger industrial enterprises and clusters.

The literature on business enterprises has to be seen in the context of a new set of scholarship in the field of economic geography and regional policy making, which in contrast to Marxist or neo-Keynesian approaches focuses on intraregional processes and the endogenous potentials of regions (MacKinnon, Cumbers and Chapman 2002, 294, Amin 1998, Storper and Scott 1997). Rather than studying the role of capital and the state in the structuring of (regional) economies many authors and policy-makers have emphasised the role of enterprises that together with non-economic actors in stimulating economic growth. Amin, for example, notes a policy shift towards “mobilizing the endogenous potential of the LFRs (less favoured regions), through efforts to upgrade a broadly defined local supply-base”, aiming “unlock the ‘wealth of regions’ as the prime source of development and renewal” (Amin 1998, 366). Similarly, Moyes et al write in regard to rural areas: “The key issue in rural development is no longer the region’s capacity to attract enterprises from outside the region but the exploitation of its local resources to generate sustainable transformation” (Moyes et al 2012, 139). This ‘new regionalism’, both a body of scholarship and a political agenda, draws upon theoretical approaches like evolutionary and institutional economics and economic sociology and foregrounds social and institutional processes within regions, capacity of regions for innovation, learning and competition.

In comparison to the other two sets of literature on the social economy and household strategies, the literature on business enterprises in peripheral areas stands out both in terms of scope and theoretical sophistication. While traditionally conceptual and empirical work on business enterprises within this body of scholarship has focused on cities and agglomeration economies, there is a significant number of empirical studies which explicitly deal with developments in peripheral areas.

### **Conceptualisation of peripheralisation**

In this set of literature, peripheries are usually understood as places that are economically disadvantaged due to their remoteness and lack of characteristics that can be found in industrial clusters – spatial proximity, institutional thickness and R&D units. Peripheral areas are seen as having an unfavourable business climate. They lack the particular positive character and density of agglomerations in metropolitan areas that studies that many studies on regional development have traditionally foregrounded. Enterprises have a small local customer base, they have difficulties in accessing markets due to remoteness and a lack of infrastructure. They have less opportunities for networking and due to the lack of research institutions in peripheral areas have greater difficulties in strengthening their technological capabilities due to the lack of local research institutions. While most studies on peripheral areas mention these structural disadvantages, the literature in many cases does foreground the capacity of economic actors to circumvent them or to find strategies to successfully adapt to unfavourable circumstances. Analysing economic activities in old industrial regions, rural areas, and other economically disadvantaged places as examples, they focus on the potentials for adaptation and endogenous development within regions.

### **Local and extra-local networks**

One set of studies focuses on embeddedness and networking activities in SMEs in rural and peripheralised areas (Atterton 2007, Moyes et al 2012, Young 2010, Dubois 2013, Anderson et al 2010). From a theoretical perspective, embeddedness and business networks are seen as critical to the success of enterprises. Those businesses that are better embedded into local values, social networks and institutions and regularly engage in collaboration with others are seen to be more successful in doing business and pursuing opportunities. The concepts of embeddedness and

networks have strongly influenced research on regional economic development since the 1980s. The notion of 'embeddedness' goes back to Granovetter (1985), who emphasised the on-going social relations through which economic transactions are carried out. It is through these networking activities that economic actors can get access to resources and knowledge, engage in business collaborations and access distant markets and thus increase their performance.

The literature has focused on both local and, more recently, extra-local networking strategies by business enterprises in peripheralised areas. Several empirical studies on SMEs in rural areas have identified local and informal networks as the most common networking strategy (Atterton 2007, Copus and Skuras 2006, Young 2010a and b, Anderson et al 2010). They note the unique quality of rural places in terms of their highly personalised exchange networks, trust and reciprocity. Particularly in rural areas firms are closely linked with each other forming a basis for knowledge exchange as well as supportive environment with reciprocal relationships. In her study on social networks of businesses in rural Scotland, Atterton (2007) notes the importance of informal relationships for enterprises. Enterprises in the Highlands and Islands of Scotland were strongly embedded within the local culture and family networks were given preference over formal business networks as a source of labour, advice and support. Studying relations between business enterprises in rural southwest Scotland, Moyes et al (2012) similarly found a lack of formal networking and market research whereas ad hoc and informal networks between enterprises were common. Due to their local embeddedness, business enterprises often have a stable customer base and possess good knowledge of their markets. Furthermore, they can draw upon informal support networks that can help them to overcome locational disadvantages.

According to empirical studies, these local networking strategies however have different outcomes: on one hand, authors emphasise the positive effects of local embeddedness in peripheral areas leading to greater stability and resilience of these communities. This suggests that by increasing local embeddedness (and eventually becoming more independent) peripheral actors can improve their economic situation or at least stabilise it in times of crisis. In a comparative study on small businesses in rural and urban areas in the UK, Anderson et al. (2010) analysed the performances by small rural firms during economic recession. Comparing the performance during recession, financial arrangements and sales performances as well as coping strategies, they noted that rural enterprises were better adapted to the recession as they were less affected by external changes. They attribute this to their local embeddedness in the rural environment, a good assessment of opportunities due to local knowledge, a more stable customer base and less competition: "Independence and self-reliance, albeit manifest in smallness and lack of external linkages and detrimental to growth, actually turn out to be factors influencing the stability of small rural firms" (Anderson et al. 2010, 56). Similarly, in a study on SMEs in Central Wales Heley et al found that local embeddedness leads to greater resilience as businesses "were seen as being 'sheltered' from the economic peaks and troughs and the extremes of competition that characterize an economy 'outside'" (2011, 375-376). However, there are also more ambivalent evaluations of the outcomes of local networking activities. While noting the positive effects of local networking strategies, Atterton (2007) also mentioned that in some cases local networking strategies can lead to insularity and 'overembeddedness'. More cautious approaches to local embeddedness raised the attention to the different qualities of networks and the fact that they can also have negative consequences leading to lock-ins in established way of doing and thinking that inhibit innovation and the capability to adapt to uncertainties (Atterton 2007, Fløysand and Sjøholt 2007). This points to the "difficult balancing act" in local economic development (MacKinnon et al 2002, 304): on one hand, there is "the need to protect specialized localized forms of knowledge ... by sustaining a close-knit local community of shared trust that operates in the context of a locally bound set of habits and conventions. At the same time, however, these close-knit

networks must presumably be open enough to engage with external and dispersed knowledge communities on a regular basis to avoid ‘lock in’ (MacKinnon et al 2002, 304).<sup>2</sup> Secondly, studies focusing exclusively on the strengths of local networks neglect of the realities of globalisation and the need of capital and knowledge imports for local development (cf. Young 2010a) and tend to work with an overterritorialised understandings of embeddedness, linking economic development to geographical proximity and taking the local/regional scale for granted as a container for economic development (‘spatial fetishism’). Scholars have argued for the need to move beyond the “regional cradle” (Lagendijk and Pijpers 2013) and focusing on the diversity of relations that constitute places and contribute to economic development.<sup>3</sup>

Due to these criticisms, scholars working on regional or local development have increasingly focused not just on local networks but included extra-local networks in their analysis on local economic development (Copus and Skuras 2006, Dubois 2013, Young 2010a and 2010b, Fløysand and Sjøholt 2007, Lagendijk and Lorentzen, Virkala 2007, Fitjar and Rodriguez-Pose 2011). Empirical studies draw a differentiated picture of networking activities and their role in regional economic development.

Several studies note that local distinctiveness of rural places can be turned into a resource to access wider markets. While being grounded in local initiatives and networks, strategies aimed at place-branding and the valorisation of the local can insert their production into wider economic circuits (mentioned by Young 2010a and Fløysand and Sjøholt 2007, Marsden 1999). Particularly in the food sector and tourism, attempts at branding places and territorially embedded production, like in the case of French champagne and Melton Mowbray pork pies can be observed (cf. Marsden 1999 ‘consumption countryside’). In a study on a Fjord community in rural Norway, Fløysand and Sjøholt (2007) also attribute the successful economic development to a widening of field of trade and crossing into international markets. They show that business operations cannot be reduced to local networks as a number of firms engage in transnational connections with other enterprises and rely on export markets beyond the regional scale.<sup>4</sup> Focusing business enterprises in rural coastal communities in British Columbia, Canada, Young (2010 a and b) provides an excellent analysis of the heterogeneous networking strategies by SMEs in peripheral areas. Using ethnographic and survey methods, Young analysed on how SMEs gain access to markets and organise relations to other businesses and customers. He found that while a majority of firms was locally-oriented, a smaller number did engage in extra-local networks. Locally-oriented firms usually had broader and more diverse networks; whereas extra-locally-oriented firms usually drew upon within sector relationships and thus were more focused – reflecting different competitive settings. Furthermore, despite their

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2 This has also been observed in works on industrial districts. In his seminal paper on lock-ins in the German Ruhr area, Grabher (1993) found that the ties that bound this industrial district together became too rigid and disabled innovation and adaptability – the ability to adapt and cope with uncertainties and unpredictable developments.

3 Broadening the focus to include extra-local ties in the study of embeddedness can be seen as part of a general shift in how places are conceptualised, from a concept of bounded and contained places to a more open conception that considers interrelations at multiple scale beyond the region or locality. Cf. paradigm shift from territorial innovation models to less location-based approaches (Dubois 2013, Rutten and Boekema 2012, Shearmur 2010)

4 These external linkages fulfil can help to compensate for locational disadvantages and limited local demands and offer a surrogate for agglomeration economies: “networks among economic actors dispersed over space may act as a substitute for agglomerations of actors at a single point, providing some or all of the utility gains and productivity increases derived from agglomeration” (Johansson and Quigley 2004, 2, cit in Dubois 2013, 27).

different orientations on either local or extra-local networks, enterprises did use resources at other scales to improve their position: whereas some several locally-oriented firms improved their local performance by accessing outside markets and importing goods and services; those enterprises who were oriented to an extra-local clientele drew upon local resources to organise access to outside markets. These studies point at different networking strategies that firms pursue in order to respond to negative locational characteristics. There is not one way to deal with peripheralisation but depending at different business branches, local circumstances and resources, businesses can combine a number of different strategies to pursue their goals.

### **Innovation and learning<sup>5</sup>**

Alongside these studies focusing on the favourable role of social networks, here is a significant body of scholarship looking directly at *innovation and learning* in peripheries as a way to respond to and counter peripheralisation processes. Most studies in this area are concerned with innovation clusters and larger firms but several also focus on innovation by SMEs in rural areas. They note that innovation does not necessarily take place in centers; businesses in peripheral settings can have significant innovative activities; and local constraints can actually encourage enterprises to become more innovative in tackling the constraints of their environment (North and Smallbone 2000). There are some significant overlaps with the studies on networks and embeddedness as scholarship focusing on innovation and learning is often concerned with the relationship between local knowledge and expert knowledge. As social networks are seen as lubricants in the innovation process, most studies analyse the character and scope of the networks used by business enterprises in their innovative activities.

In one of the first studies on innovation in rural areas, North and Smallbone (2000) used survey methods to study innovative activities in SMEs in rural England. Their study reveals that entrepreneurs do not see the locational characteristics of rural areas as a constraint but on the contrary local traditions and customs in several cases provided ideas for the development of new products and the limited size of the market could act as a spur to engage with extra-local markets. In developing their products innovative SMEs however in two thirds of the examined cases did not rely on external ideas and expertise. Doloreux and Dionne (2008) stress the role of local research institutions for innovative activities in their study on an innovation system in La Pocatiere, Canada. While being a remote area, educational and training centers among other public organisations were crucial for generating business activities and furthering innovation activity and the growth of the innovation system.

Most studies on innovation in peripheries however stress the need to access wider knowledge networks and to engage in innovative activities with the help of ties that are not confined to the local area (Virkkala 2007, Lagendijk and Lorentzen 2007, Fløysand and Sjøholt 2007, Copus et al 2011, Dubois 2013). Firms that are highly specialised which experience a greater need to engage with wider knowledge circuits for exchange and innovation, particularly when there is a limited local institutional environment. Fitjar and Rodriguez-Pose (2011) conducted a survey study (telephone interviews and follow-up questionnaire) with business managers in southwest Norway, a region that despite being remote and sparsely populated has the highest numbers of patents per capita. In contrast to the self-sufficiency of rural SMEs found by Smallbone and North (2000) in rural SMEs, Fitjar and Rodriguez-

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<sup>5</sup> The discussion focuses on the relation between local and extra-local connections. However, it is important to acknowledge that literature on innovation and learning is very diverse and differentiated by sectors/activities, institutional contexts (political economy and the role of the state) and by cultural settings, which cannot be treated here in sufficient detail.

Pose found a strong relation between cooperation and product innovation. In their case innovation did not stem from agglomeration and physical proximity; those companies that reach out internationally and engage in extra-regional networks were found to be most likely to introduce new products and engage in product innovation. Similarly, Copus et al (2011) local firms in Övre Norrland in Northern Sweden were involved in international transaction networks driven by the limited local demand and their high specialisation. Firms develop extra-local connections to remain competitive. Networks with large cooperations function as “pipelines” (Bathelt et al 2004) through which small firms acquire knowledge and improve their performance. Virkkala's case study on the Finnish Oulu region (2007) was based on qualitative interviews with enterprises that were part of a local ICT cluster. He identified a combination of different factors and innovation strategies among enterprises: whereas SMEs learnt from clients of localised networks and regional research institutions and could profit from the co-location of specialised firms, large leading firms had further reaching networks involving clients, non-local educational institutes and technology programmes.

### **Outcomes**

The scholarship on business strategies in peripheralised settings comes to different conclusions about their outcomes. Studies focusing on extra-local networks and innovation which constitute the largest part among the existing scholarship on peripheral areas usually emphasise agency of enterprises and their potential to innovate based on external knowledge inputs. Many studies focusing on innovation share a fascination with interactive processes of cooperation and learning across geographical distances and the possibility to overcome locational disadvantages (cf. Grabher 2006, 169). They argue that organisational proximity can be more important for success than physical proximity.

In drawing a positive account of the capabilities of enterprises in peripheral settings, studies however ignore the potential asymmetrical power relations. Networks are however often sites of power imbalances, restrict as much as enable action, particularly for small and medium sized firms that predominate in rural and peripheral areas. Young's study on SMEs in Canada (2010b) (discussed above) is an exemption in that it sheds light on the difficulties that rural SMEs involved in making and maintaining extra-local connections encounter. He notes that although being significant for sustaining the economic future, ‘going global’ – the making and maintaining of extra-local connections – is labour-intensive and often struck by difficulties and unequal power relations. Rural firms are often marginal actors within these networks and have limited network resources and capacities to bridge distances; they often focus on few extra-local ties to counter local isolation but “this concentration leaves them vulnerable and holding a minimal leverage or influence within the network” (24). “It remains unclear, however, whether these strategies can be sustained over the long term, and whether these ‘difficult’ connections are secure enough to bring a measure of economic stability to these peripheral places.” (27). Also Lagendijk and Lorentzen draw a differentiated picture pointing to different capabilities and constraints in the agency of businesses in peripheralised settings (Lagendijk and Lorentzen 2007, 465).

In comparison to those studies focusing on extra-local networking strategies and innovation, studies concerned with local embeddedness in rural areas put forward only a cautiously optimistic or ambivalent evaluation of their outcomes: They emphasise the resilience and stability of enterprises caused by a stable customer base, cooperation and local self-sufficiency while at the same time warning about the potentially negative effects of local networks due to overspecialisation and the lack of inputs from outside. It is important to note that there are different visions of local and regional development embedded within these studies on business enterprises. Whereas some firms aim at integration into larger networks and even globalised economy; several local enterprises are seen to seek alternatives to the mainstream economy and the paradigm of competitiveness. They

give priority to the contribution to the local economy, stability and sustainable development over growth and competitiveness (Horlings and Marsden 2014, Heley et al 2012).

### 3 The strategies of social enterprises: Mobilising social capital and local resources for public welfare

Although also business enterprises can follow different goals, social enterprises have been more directly associated with the local economy and a broader vision of local and regional development. While they may be run as efficient business enterprises, they are not predominantly concerned with economic profit but aim to serve local needs and mitigate existing problems as well as building social capacity and nurturing skills (Amin et al 2003). They are usually seen as part of the Third Sector with activities entailing a range of services and products, like welfare and consumer services, environmental projects and the employment and training of disadvantaged groups. Although some of them operate beyond local and regional communities, social enterprises are generally defined as enterprises with socially or community oriented goals and are often characterised by their cooperative organisational forms (Birkhölzer 2011, 26). Their importance – particularly in relation to peripheralisation processes – derives from the fact that they can help communities to adapt to and overcome structural disadvantages.

The scholarly concern with social enterprises is relatively new. Out of the three actors that are considered in this literature review, the scholarship on social enterprises is the most recent and – from a social science perspective – least conceptually developed. Most existing research derives from management studies; it examines the organisation of social enterprises, the setting up and operation of businesses and discusses social entrepreneurs as a new type of entrepreneur (cf. Munoz 2010 for a critical discussion). Some studies put particular emphasis on the entrepreneurial spirit in their definition of social enterprises: “social entrepreneurs are visionaries who, using an entrepreneurial approach, develop and implement innovative solutions for social problems” (Christmann 2014, 45). Due to the limited number of research studies and its disciplinary grounding there is a lack of research that deals with social enterprises particular spatial settings and examines their situatedness and contribution to local and regional development (cf. Jähnke et al 2011, Munoz 2010). Munoz makes a case for placing the research on social enterprises within social science research and geographical thinking (Munoz 2010):

*“previous regional studies of social enterprise have failed to interrogate the local aspects of place involved in the generation and operation of social enterprise to any great degree. Research has suggested that there are more social enterprises, for example, in rural than urban areas (Harding 2006), but more work is needed to interrogate why these patterns emerge, what they tell us about the emergence of social enterprise and their potential to impact on contemporary economy and society” (Munoz 2010, 305).*

In particular in regard to peripheralised settings, there is a very limited number of empirical studies of local and social enterprises that examine their locatedness and effects on local and regional development. In comparison to the literature on business enterprises, the discussion about successful and less successful strategies and their spatial conceptualisation is very little developed due to the small number of existing studies.

#### **Conceptualisation of peripheralisation**

Existing empirical studies that deal with responses to peripheralisation by the social economy usually operate with a broad and multidimensional understanding of peripheralisation, which is conceptualised in terms of economic, infrastructural and demographic challenges. Peripheries here appear as 'structurally weak' regions, which can experience a negative development path. The few existing empirical studies often focus on rural areas with little employment opportunities and infrastructural deficits and a shrinking and ageing population as young and well-educated people move away (Federwisch, Ehrlich and Federwisch forthcoming, Christmann 2014). While literature on social economy challenge existing definitions of development and economy, they seem to rely on a rather static concept of space – taking peripheries as scenes (,containers') of accumulation of negative social processes.

### Strategies

Most authors acknowledged that social enterprises have an important role in peripheralised places, where the negative consequences of globalisation, competition between places and decline of welfare state are particularly pronounced. The social economy is seen as a way to respond to these increasing pressures and mitigate negative structural effects (Ehrlich and Federwisch forthcoming, Federwisch 2012, 2008). Especially in economically disadvantaged areas, social enterprises are seen as having important economic and socio-political functions within society in regard to employment and fight against social exclusion. The contribution of the social economy to local development is thus different from the mainstream economy: it encompassed a wider range of people and tends to be more holistic in terms of how development is defined. Although they are seen to encourage social networks and engage in innovation, networks and innovation are defined differently than in the studies presented earlier. They refer to networks within communities beyond firms and *social* innovation directed towards specific community needs.

Empirical studies show that social enterprises and community initiatives use different resources and mechanisms in response to local problems: one of the main strategies of responding to peripheralisation is the development of social capital and networking activities, which can help to encourage local initiatives. In addition to that, studies found that social enterprises provide infrastructure, encourage alternative models for development and support entrepreneurial activities. Whereas these strategies can sometimes involve other spatial scales, social enterprises are usually firmly grounded in the local level.

Analysing social enterprises in rural Tasmania, Australia, Eversole et al (2013) demonstrated how social enterprises mobilised a range of resources to support local development. The three analysed enterprises – an organisation redistributing unused agricultural products, a community festival and a training enterprise – **encouraged network activities and ensured community spirit**, provided training and support for people with disabilities and material assistance for those in need. Those projects were clearly rooted in the community and the specific social context to respond to peripheralisation.

Other studies demonstrate that enterprises can supply social services that are not anymore provided by the state and thus **fill in gaps of the welfare state**. Ehrlich and Federwisch (forthcoming) analysed social economy initiatives in rural Brandenburg. They found that in some places in response to the peripheralisation process traditional (religious and humanitarian) social enterprises had changed their service spectrum and business requirements and thus adapted to the local circumstances. They also found how in times of increasing social pressures social entrepreneurs developed new initiatives that can help to adapt to the situation and **promote self-esteem**. Their analysis focused on three newer initiatives – a community agriculture project, Transition Town initiative and a new entrepreneurial space – that developed new business segments and spaces for experimentation for the community

and changed the image of the place: “What all of these socio-entrepreneurial activities have in common is that new local developmental paths are faced on existing spatial, natural and human resources, and contribute to a new self-definition in order to overcome the negative image of rural areas” (Ehrlich and Federwisch forthcoming).

Willis and Campbell’s study (2004) on a community initiative of neo-peasants in the French countryside emphasises the **potential for the emergence of new social and economic spaces** in peripheralised or ‘underdeveloped’ regions. They showed how neo-peasants adopted strategies to re-establish peasant farming and production, attracted tourists through services associated with life on the countryside and restored ruined buildings with artisanal skills. They compare these activities to other social movements aimed at localisation like the slow-food movement and anti-globalisation movement with a distinct local colouring.

Other studies focused on projects that have helped to **encourage local entrepreneurship** (Christmann 2014, Federwisch 2012, 2008, Kunz 2011, Dullinger 2011). Social entrepreneurs are here seen as having an enabling function in that they can help to activate endogenous potentials in peripheralised regions. Kunz (2011), for example, presents his project *enterprise* in Brandenburg which helped to train young people to become entrepreneurs and thus provide them with alternatives to classical employment in an area which lacked jobs and opportunities. Christmann’s study (2014) focused on selected social enterprises in Spain and Germany that have developed schemes to support peripheralised places and to reduce the effects of peripheralisation. In three cases young people were encouraged to become entrepreneurs; in one local self-help in places with infrastructural and other problems was supported. These projects were using different mechanism: providing training possibilities and knowledge in terms of educational offer, encouraging network activities and providing financial support, usually in the form of micro loans.

### Outcomes

Empirical studies come to different conclusions in regard to the effects of the social economy in peripheralised settings. Many studies on social enterprises put forward a very optimistic evaluation of their impact. Typical for studies focusing on successful cases, Eversole et al (2004) have a very positive vision, arguing that social enterprises in rural Tasmania had a wide-ranging impact on local communities and helped to mobilise a number of assets and had a positive impact on local development. Other studies on the provision of lacking infrastructure and social self-organisation in peripheralised places place their emphasis on adaptation (Ehrlich and Federwisch forthcoming, Federwisch 2012, Steinerowski and Steinerowska-Streb 2012). In their study on barriers and drivers of social enterprises, Steinerowski and Steinerowska-Streb (2012) for example stress adaptive capability of social enterprises. While they are unable to change existing structural features, they adapt to specific requirements of peripheral places and draw upon local resources.

The generally optimistic evaluation of social enterprises in peripheralised places also derives from the fact that existing literature is often written by practitioners or policy-makers. The few existing empirical studies are usually based on a case studies of selected enterprises, mostly focusing on the evaluation of particular enterprise projects and the identification of best practice models (Amin et al 2002). Consequently, there is a bias towards successful examples and a disregard for cases that fail to deliver their goals or go out of business. Furthermore, many case studies focus on short periods whereas it is unknown how long social enterprises are sustained (cf. North 2010). This however leads to a limited and potentially unrealistic assessment of the role the social economy can play in peripheralised places. Studies focusing on best practice cannot explain why certain initiatives are successful and why others fail and “gloss over the very high rates of failure of social economy organisations” (Amin et al

2003, viii). Amin et al (2003) who focused on urban areas in the UK argue for a more realistic evaluation of social enterprises and what they can achieve. They state that the social economy should be seen as complementary rather than a substitute to the state and the market (Amin et al 2003, x). "It can never become a growth machine or an engine of job generation, or a substitute for the welfare state, but it can stand as a small symbol of another kind of economy" (Amin et al 2003, 125, cf. Hadjimichalis and Hudson 2007).

#### 4 Household strategies: Work, reciprocity and redistribution for surviving and reproducing peripherality

Another important body of scholarship on bottom-up strategies to peripheralisation looks at households and their economic practices in dealing with peripheralisation. These studies are influenced by practice theory as a metatheoretical approach and works by Giddens, Bourdieu and de Certeau that has directed scholarly attention to meaning making activities alongside with concerns over structures as well as the intersections and mutual constitutions of economy and culture (cf. Schatzki et al 2001, Stenning et al 2010, Chapter 3). This body of scholarship has been influenced by the 'cultural turn' in the social sciences and foregrounds everyday practices – how actors make sense of their world and act accordingly – and how this is key to the process of social reproduction. In particular works on economic geography that have been influenced by the cultural turn (James et al 2006) have drawn upon these insights and, focusing on everyday economic practices they have contributed to broadening the understanding of the economy including reciprocal relations and reproductive activities.

The unit of analysis in these studies is the household which is regarded as the key site of economic practice in everyday life. The household forms a social and economic unit, and it is at the level of households that decisions are made and strategies for social reproduction are developed (Meert 2000, Wallace 2002). Many authors draw attention to the fact that households are differently positioned in relation to peripheralisation processes – according to social class and power relations. In addition to this, several authors go beyond the household as a unit of analysis and point to power geometries within households and networks extending beyond their confines. Households are not contained and homogeneous entities. They are embedded in larger communities and networks and are shaped by internal differences, often structured along the axes of gender and generation (Smith and Stenning 2006, Stenning et al 2010, Wallace 2002). Consequently, scholars working on household strategies focus on households as units of analysis while at the same time, drawing attention to the 'nested geographies of economic practices' (Smith and Stenning 2006, 201) and power relations embedded in them.

The idea of household strategies is often used in studies on everyday economic practices in the face of structural inequalities and has seen a revival in the literature on post-socialism and post-Fordism in discussions on social marginalisation and precarity (Wallace 2002). It can be found in a number of different areas – economic practices in border regions, informal economy, survival or livelihood strategies in rural areas and studies on post-socialist transformation. Most studies do not explicitly refer to 'peripheralisation processes' but focus implicitly or explicitly on sociospatial inequalities and marginalisation.

#### **Conceptualisation of peripheralisation**

Similar to the studies on the social economy, research focusing on household strategies work with a broad and multidimensional understanding of peripheralisation, which is understood in terms of locational, economic, infrastructural and other characteristics. One of the main characteristics of peripheralisation in studies on household strategies is the lack of regular employment in the primary economy. In studies on rural areas, for example, the employment characteristics and difficulties to access markets due to remoteness and infrastructural constraints are seen as an obstacle for economic activity and a reason for sociospatial inequalities (cf. Meert 2000, Meert et al 2005). Other authors working on household strategies focus more directly on experiences of marginalisation and unequal power relations, and in several cases focus on discriminations along the axes of gender, generation, ethnicity and disability that reinforce existing spatial inequalities (Nagy et al forthcoming, Timar 2005, Dawley et al 2008). In addition to this, studies on post-socialist transformations concerned with polarisation processes often focus on temporal changes in addition to spatial differences between cities and the countryside or post-industrial spaces. They analyse the development of inequalities over time and discuss questions of continuity and discontinuity between past and present economic practices. Overall, this set of literature tends to work with a conceptualization of peripherality in which space and social relations are mutually constitutive, and peripherality manifests in multiple dependencies between various agents and places.

### Strategies

Existing research points to a range of different strategies that households use when dealing with peripheralisation processes. Most broadly, one can distinguish between strategies in the areas of formal and informal work, reciprocity and social networks, state benefits and redistributive mechanisms. To define the activities in these areas as part of households' economic strategies is to use a broad understanding of economic practices extending "beyond the forms institutions of economic life to explore the ways in which the practices of 'everyday' individuals, households and communities – especially in peripheral spaces – have a role in 'performing' the economy" (Stenning et al 2010, 65).<sup>6</sup>

Access to regular and sufficiently paid employment is the most important mechanism for economic integration and social reproduction of households. However, the problem of many peripheralised areas is exactly the lack of regular employment and the fragmentation of the labour market in the primary economy to sustain one's livelihood. Households employ different ways of responding with this situation depending on the socioeconomic context and the particular pressures they experience, their social and economic resources as well as the cultural context. Much of the literature on household strategies focuses on how households develop mechanisms for economic survival that accompany or substitute regular employment as a response to economic pressures, forced flexibilisation and precarisation of work arrangements. One common strategy is to find additional income in the **formal or informal economy** – what is discussed in terms of 'livelihood diversification' (Ellis 1998, Meert et al 2005) or 'dual job strategies' (Smith and Stenning 2006).

Meert et al (2005) for example discuss survival strategies in small farms in four rural regions in Flanders. They found that while households in regression relied on state redistribution, successful households were able to seek additional sources of income and to diversify their activities to cope with financial problems and poverty. The majority of successful farms did not solely rely on income

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<sup>6</sup> Like works on the social economy, studies on household strategies thus operate with a concept of multiple and diverse economies, including non-capitalist practices like barter and other forms of reciprocity as well as redistributive mechanisms by the state (cf. Stenning et al 2010, Nagy et al forthcoming, Timar 2005, Meert 2000).

from their agricultural production but employed a range of different strategies for diversification. Some of them introduced new crops and found new places and ways to sell their produce, rented out land, or used alternative sources of income unconnected to the farm business. They engaged in alternative on-farm activities like farm holidays or found additional non-agricultural employment. Scholars studying economic practices in post-socialism found that many workers and families employed dual job strategies. The primary job was used to maintain a regular income and benefits like access to subsidized food and transport, while the secondary employment which is often part of the informal economy provides higher remuneration (Smith and Stenning 2006, 195). Particularly for those households with low incomes this strategy was extremely important. Round et al (2008) conducted a survey study among 700 households followed by 75 qualitative interviews in their study on informal economies in three Ukrainian cities, Kyiv, Kharkiv and Uzhgorod. They found that 38% of the households undertake cash-in-hand work. Many respondents undertook informal work in connection with their formal employment and used existing equipment and networks for earning additional income. Similarly, in their wide-reaching study on economic practices in Nowa Huta, Poland, and Petrzalka, Slovakia, Stenning et al (2010) found that while primary employment continued to be the most important source of income, particularly poorer households combined different economic practices to sustain their livelihood. Informal and illegal labour like unregistered care work, cleaning and sewing jobs were used by several respondents and provided a better paid alternative to unemployment. Young and retired household members were furthermore encouraged to take up jobs. Household members had to learn new skills to make use of new employment options. Additional incomes were experienced differently depending on the position: while some experienced insecurity and stress, others emphasised the gained autonomy and better income levels.

There are a number of studies that focus explicitly on informal economic strategies and **black and grey economies** in borderlands<sup>7</sup>. Border areas, especially those characterised by a hard border regime and limited economic flows, are particularly subjected to peripheralisation processes. As the literature on informal economic practices however shows these areas also have potentials for some people, who can make use of different national economic trajectories and currency rates (Cassidy 2011, Bruns 2010, Müller 2013). Based on fieldwork research in the Polish-Ukrainian and Finnish-Russian borderlands, Müller (2013) discusses different practices and capabilities in using the EU external border as a resource. While the bordering processes has added to the socio-spatial marginalization of the population, she distinguishes between different groups of people who found different ways of adapting to the peripheralisation process depending on their social networks and political power. A number of borderlanders could use the border as an economic resource in informal economic practices; others who had better networks and informal knowledge had more room for manoeuvre, They found more diverse adaptation strategies and made use of legal loopholes to resist peripheralisation. One part of the population was however not able to develop positive adaptation strategies and merely experienced powerlessness in the face of the changes. Similar to other research on border areas (Bruns 2010) different positionalities in negotiating borders become apparent.

Another common strategy that is discussed in a separate body of literature is work **migration and, linked to this, remittances** (cf. Williams 2009, Wastl-Walter et al 2003, Nagy et al forthcoming). Through migration of one or several members, households can access more distanced labour markets and thus try to escape marginalization. Particularly, among young and better educated people this is a common strategy. However, as authors point out, this can contribute to further spatial polarization

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<sup>7</sup> Of course, borders might be pillars for securing household's livelihood also in the formal economy (e.g. legal trade and cross-border commuting in the primary labour market).

processes as best educated leave the village (Nagy et al forthcoming) point to migration as a strategy to access paid work and escape marginality.

Alongside with these economic practices in the formal and informal economy, authors have pointed to alternative strategies in sustaining a household's livelihood using non-market economic practices like self-provisioning, reciprocal relations and state benefits. Particularly in the literature on post-socialism and rural areas, **self-provisioning and domestic food production** is considered as an important economic strategy to cope with financial marginality (Round et al 2010, Stenning et al 2006, Ch. 6, Meurs 2002, Smith 2002). While there are some similarities to the literature on local economies and alternative food networks – in that they study rural food geographies that are not embedded in agricultural mass production – these studies have a less optimistic and romantic account of food production as a coping strategy in times of crisis and financial hardship (for a critique of the local economy literature cf. Round et al 2010). Studies on post-socialist economic practices found that particularly in the first years of the transition, household food production was an important part of household economies in post-socialist countries as additional incomes were capped by the closing of collective farms or the industries (Meurs 2002, Smith 2002). In her study on the Rhodope region in Bulgaria, Meurs showed that households were dependent on self-provisioning. With the disappearance of other economic activities, the domestic food production became relatively more important, even though the opportunities for more active adjustments (for example, by using larger plots and expanding the food production) were very limited. In a paper on domestic food production in Ukraine, Round et al (2010) found that even more than 15 years after the Soviet Union's collapse domestic food production played an important role for households. Due to the lack of state support, people used subsistence production to sustain their livelihood. Three quarters of households interviewed saw self-produced food as important for their daily diet. In addition to this, home-grown food was also sold to provide additional income and the relationships in the spaces of food production provided opportunities for informal work and barter.<sup>8</sup>

Another important strategy that is pointed out by various authors is **reciprocity and social networks** which can either act as facilitating other economic activities (for example by using somebody else's tractor or getting a lift to access the local supply market) or as an economic activity in itself.

In one of the most comprehensive studies on household strategies, focusing on a village in rural Flanders, Meert (2000) found that the village population largely relied on reciprocal actions for social reproduction. About 40% of survival strategies by households for food provisioning, acquisition of consumer durables like freezers and household tasks were based on reciprocity. According to Meert, this was due to limited local opportunities within the market economy and social control and feelings of embarrassments within the village to make use of the state redistribution system as a mode of

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<sup>8</sup> There is a discussion in the literature whether it actually forms a survival strategy or is part of long-standing cultural traditions in Eastern Europe and the former USSR. Most authors acknowledge that domestic food production is not a new practice but that there are significant continuities between socialism and post-socialism in the practice of self-provisioning. According to Smith, household practices based subsistence economy should not be seen as a response to austerity and state withdrawal as the levels of self-provisioning in many cases actually did not rise with the transition to post-socialism. He emphasizes that "we should avoid reading such household practices as responses to austerity, which is not to argue that the impacts of transition have not been proudly negative for many households. But such practices have their origins elsewhere and are constituted by different kinds of economic relations from those of the "formal economy"" (Smith 2002, 243). While acknowledging like Smith the cultural meanings of food provisioning and continuities between socialism and post-socialism, Round et al (2010) however argue that the motivations and relevance of subsistence economies did change in response to increasing marginalisation and lack of state care.

economic integration. In contrast, for disadvantaged groups in inner city neighbourhoods markets formed the most important mode of integration and the usage of redistribution channels was more pronounced due to the density of charities and limited social control. Meert consequently criticized the assumption that rural areas are better suited in terms of survival strategies; according to him, reciprocal actions do not enable upward mobility but should be seen as a “reciprocal swapping of poverty” (Meert 2000, 333).

In contrast to Meert’s study, Nagy et al (forthcoming) found that community networks in rural Hungary had been destroyed by the difficult structural conditions. They analysed the strategies of residents particularly affected by marginalization, in particular, women, Roma and disabled people who have greater difficulties in getting access to the formal employment market. In their case, alongside with enrollment in public work programmes and acceptance of underpaid jobs, **living on benefits** was a common mechanism to respond to marginalization. State benefits and other redistributive mechanisms were especially for vulnerable groups an important mechanism to secure their livelihoods, particularly in areas where other opportunities are lacking. Nagy et al (forthcoming, cf. Meert et al 2005) however stress the problems associated with this strategy as it increases dependence and actually reproduces and reinforces marginalization. Timar (2005) similarly argues that redistribution mechanisms were important for those living in rural Hungary and focuses on the effects of these strategies within households. She points out that women are more likely to be disadvantaged by household adaptation strategies. For example, traditional gender roles are reinforced when childcare benefit appears as the only source of income and way to adjust.

The studies mentioned above show the diverse mechanisms that households use to respond to socioeconomic inequalities and marginalisation. Many studies emphasise that these mechanisms are employed at the same time and analyse their specific combinations and effects.

## Outcomes

In comparison to research on economic practices in the mainstream and social economies, the literature on household economies tends to assign less potential for change and the overcoming of negative structural processes to its actors. Households are largely seen as capable to act and respond to peripheralisation processes, however, scholars put much more emphasis on the constraints that structural settings place on actors, the limited resources of households in dealing with them and the reproduction of negative structural characteristics through households’ practices.

Partly due to disciplinary grounding in sociology and anthropology of most studies, partly due to their focus on marginalization, authors emphasise the multiple effects of sociospatial inequalities and state withdrawal in their particular settings. Most studies emphasise different positionalities and unevenly distributed **capacities to act** within these settings. There are however also within this body of scholarship different evaluations of households’ strategies depending both on their particular subject and their conceptual model.

On one hand, particularly studies on vulnerable people (like for example people with disabilities, living in poverty, ethnic minorities) see limited capabilities in countering negative developments (Nagy et al forthcoming, Meurs 2002). Meurs’ study on Bulgarian Rhodope region argues for example that households in rural areas did not actively adjust to the changes by engaging in subsistence agriculture but rather they were “truncated by the new conditions” as they lost their state-funded forms of employment that they had relied on alongside with their work in agriculture (Meurs 2002, 214). On the other hand, some authors assign more agency and independence to households and mention that their economic practices form part of alternative, non-capitalist understandings of economy (Morris and Polese 2013, Smith 2002). In their discussion of informal economies in post-socialist countries, Morris and Polese point to a “a form of entrepreneurial resourcefulness that is at

least partly outside the formal economy, certainly opposed to incorporation within state structures, and most significantly, embedded within social and economic relations of reciprocity and mutuality that are difficult to recuperate within a capitalist accumulative logic" (Morris and Polese 2013, 9, cf. Smith 2002). Round et al (2008, 2010) however warn not to romanticise practices of economically marginalised. They argue that households' strategies are often chosen in response to external pressures and that "although they suggest an autonomy from the market economy they are still infused with unequal power relations" (Round et al 2008, 181). Although many people and communities experience pride in their ability to survive and get by, people's informal economic practices are often physically demanding and offer little security.

Stenning et al (2010) offer the most advanced conceptualisation of the relation between the agency of households and the external structures, between local rooms for manoeuvre and the structural dependencies and inequalities caused by peripheralisation processes. Using the concept of 'domestication', they move beyond the duality of passive acceptance and autonomy / resistance to structural effects. Domestication indicates households' participation in the making of a neoliberal economic order. It signals their ability to manage and appropriate external processes but also how in doing so make them domestic and thus acceptable: "Households' preparedness – willingly or unwillingly – to take on complex working practices to secure an adequate income in many ways enabled the proliferation of new forms of work which failed to pay a living wage. Instead of being borne by the employer, the costs of employment uncertainty were brought into the home and absorbed, more or less successfully, into the households' economic practices. ... On the other hand, these practices are also evidence of the ways in which households have sought to make neo-liberalizing labour markets tolerable" (Stenning et al 2010, 110).

## 5 Discussion and Conclusion

This paper has reviewed existing literature studying peripheralisation "bottom up" by considering the strategies that actors in peripheralised settings employ to deal with structural disadvantages. It has brought together a diverse set of studies focusing on three economic actors: business enterprises, social entrepreneurs and households, the strategies in dealing with peripheralisation and their outcomes. The literature shows that despite locational disadvantages, infrastructural deficits and economic dependencies and marginalisation (to name but a few structural disadvantages), actors in peripheralised settings can develop a range of strategies in responding to peripheralisation processes and participate in the making and unmaking of spatial inequalities. The different bodies of research discussed in this review thus conceptualise peripherality not in terms of fixed structural characteristics that are assigned to places and populations but something that is acted upon, that is negotiated and actively circumvented by actors. As the literature review shows, people and organisations in peripheralised settings find ways to adapt to negative structural developments and can even adopt creative solutions and engage in technological and social innovation in the face of structural disadvantages and unequal power relations. Foregrounding endogenous strategies in dealing with and countering peripheralisation processes, the discussed studies thus situate agency within the periphery itself.

Despite the commonalities in the research perspective, there are however different ways of how peripheralisation is defined, who is constituted as the primary objects of research and how their agentic capabilities are evaluated due to different contexts that are used to draw insights into peripheralisation processes as well as different disciplinary perspectives. This concluding section compares the three sets of literature, points out some caveats in the scholarship of bottom-up strategies and makes suggestions for future research.

**Conceptualisation of peripheralisation:** While most studies discussed here consider traditional geographical indicators like remoteness and/or settlement density, in addition to this studies draw on economic, infrastructural and social characteristics to define peripherality/peripheralisation. In the literature on business enterprises peripherality is defined as a lack of favourable institutional settings that can be found in agglomeration economies. Studies on social enterprises and households work with a broader understanding encompassing infrastructural and demographic dynamics as well as socioeconomic marginalisation. It is important to draw attention to these definitions of peripherality on which empirical studies are based as they are closely linked to visions of local and regional development. Defining peripherality also means defining what is dealt with, reproduced and counteracted in bottom-up strategies and can give insights into normative visions circulated by local actors and the authors of the study. Many studies on business enterprises have a narrowly defined understanding of local and regional development in terms of economic growth and resilience of businesses despite negative locational characteristics, whereas other studies are driven by local concerns over wellbeing and quality of living (for an excellent discussion on different understandings of local and regional development cf. Pike et al 2007). Especially because peripheralisation and local and regional development can be defined very differently and are often linked to normative evaluations and visions for the future, it is key for researchers to be reflexive about how they are used both by local actors and in research (i.e. both as a category of practice and a category of analysis).

**Strategies:** The literature focuses on different institutional and cultural responses that actors employ in relation to peripheralisation. Not primarily hard economic indicators like for example natural resources are considered relevant for spatial development but local and extra-local networking activities, learning processes, social capital and local support systems that can be mobilised to deal with peripheralisation and its effects. The literature on business enterprises shows that many enterprises rely on local networks, knowledge and customer base to improve their economic performance and stability; whereas others, mostly larger and specialised firms develop extra-local networks to access wider business networks, information circuits and more distant markets to strengthen their competitiveness. In comparison to this, social enterprises respond to negative structural characteristics by mobilising local social capital and resources, whereas the literature on households focuses on a wide range of economic practices – formal and informal work, reciprocity and redistribution – that households use to deal with peripheralisation and social marginalisation linked to it. Overall, the three groups of agents responded to peripherality by using various local resources and/or by combining them with non-local ones, however, their access to resources and their room for manoeuvre are very different. Taking this into account gives us a more nuanced view of the peripheries.

**Outcomes:** There are significant differences in how existing studies evaluate the rooms for manoeuvre within peripheries. Three different scenarios can be broadly distinguished: a. *overcoming of peripherality and competitiveness* – actors and peripheral places are able to overcome or circumvent peripherality and successfully compete with other places, b. *stability and self-sufficiency* – actors' strategies help to reduce dependencies and increase resilience and c. *survival* – actors' strategies are directed at merely getting by and surviving peripherality without being able to challenge it. These differences in the outcome of course depend on the particular research focus, the resources that the analysed actors have available as well as the particular context of study, and of course, can be present in a peripheral region at once. However, it is also shaped by implicit or explicit sampling strategies and theoretical assumptions on which empirical studies are based on. Particularly studies on business enterprises and social enterprises tend to have an optimistic account of the capacities for local development and innovation in peripheralised regions. While they explicitly mention the structural difficulties, they focus on how actors develop strategies to overcome them

and manage to stimulate local development through different initiatives. In particular, those studies focusing on innovation and learning tend to celebrate the capacity to overcome negative locational characteristics and engage in extra-local networks. Furthermore, existing studies on the social economy provide only limited contextualisation of their case studies and tend to overestimate their capacity in shaping local and regional development. There are three reasons for this emphasis of the agentic capabilities in peripheries: the focus on successful cases, the planning and policy orientation of many studies and the limited integration of power relations and structural analysis into existing studies.

### **Successes and failures: Sampling in case study research**

Many existing studies mentioned above focus on specific case studies of successful regions and/or enterprises. Consequently, they foreground those cases that succeeded in overcoming peripherality and demonstrate resilience to crises. A more nuanced study of bottom-up strategies however needs to include a broader range of cases including less successful cases (cf. studies on lock-ins (Grabher 1993, Atterton 2007) and power asymmetries in networks (Young 2010)). This can be achieved by reconsidering existing sampling strategies in empirical studies. While studies based on best practice models have been highly influential in the context of regional policy and practice-led research, familiarising oneself with different sampling strategies (i.e. in case study research and grounded theory) or using a representative quantitative sample can help to broaden existing research perspectives and lead to more differentiated results. Including cases of failures into the analysis can not only lead to more realistic accounts of the dynamics of peripheralisation but also be helpful to gain a deeper understanding of *why* certain strategies are successful and others fail.

### **Whose strategies?**

The overestimation of the local capacities to counter peripheralisation is linked to the planning and policy orientation – and orientation on the core economy - of much scholarship on peripheralisation processes. The existing literature is often based on normative expectations regarding the behaviour of local actors as well as the desired outcome of local and regional development – usually defined in terms of competitiveness and resilience. In this context, it is important to be reflexive over the underlying assumptions of studies: how is 'success' defined in research on bottom-up strategies and what kind of criteria is used to evaluate the outcome of a strategy? Who defines what is a 'successful strategy'? And whose strategies are we talking about – those of local actors or those of authors/policy-makers that have certain imaginations of desired outcomes and link their research to policy recommendations? 'Success' is not objectively given, but is based on very different evaluations and can mean different things for different groups of agents, business enterprises, social enterprises and households.

### **Analysing strategies in context**

Considering bottom-up strategies can have significant benefits in that it brings a grounded perspective to spatial polarisation processes and includes local actors. One of the crucial questions for this research perspective and existing empirical studies however is whether the insertion of agency into peripheralisation processes actually leads to a more complex conceptualisation of peripheralisation or whether it simply puts forward a one-sided model that by privileging agency and local dynamics risks to lose sight of structural characteristics and power relations.

Despite the differences between and within these sets of literature what they have in common is a risk to 'localise' peripheralisation, to define peripheralisation processes merely as a local problem to which local actors seek to find local solutions (cf. Amin et al 2003, Hadjmichalis and Hudson 2007).

Focusing on endogenous potentials within peripheralised settings and the capabilities of actors to respond to structural disadvantages risks to see peripheralisation as well as the strategies to deal with it as constituted at the local level. As Amin et al (2003, 19) note in their research on social enterprises in the UK there is a “new localism” in the perception of social exclusion. In recent years, regional development policy has focused on mobilising endogenous regional potentials, encouraging entrepreneurship and citizen initiatives as a development strategy. However, this focus ignores the global, transnational and national embeddedness of processes of centralisation and peripheralisation, does not pay sufficient attention to the role of the state and the EU in balancing economic inequalities. In worst case can contribute to a responsabilisation of actors in peripheralised settings as the sole drivers of their own success. To mitigate these risks it is necessary to study bottom-up strategies in their wider socioeconomic and political context. As several scholars (Hudson forthcoming, 2005, Birch et al 2010, MacKinnon et al 2009) have reminded us, while it is important to include institutionalist and cultural perspectives into the scholarship, this does not necessarily mean to ignore structural constraints and uneven power relations. MacKinnon et al (2009) for example argue that we should combine local perspectives with a political economy approach analysing variations in capitalism. Others have demonstrated the continuing role of the state in regional development processes. While it is important to go beyond a structuralist lens in the study of spatial polarisation processes and to get insights into how these processes are practiced, negotiated and resisted on the ground, a good analysis rather than downscaling peripheralisation keeps different actors and intersecting spatial scales in balance.

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