

Lincolnshire's rural economy; Some opportunities and challenges

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Stoic Lincolnshire survived crisis – now it's time to invest

- Food, tourism, care and education sectors were fairly stable in the crisis
- Both male and female full-time workers earn relatively low wages
- Productivity in Lincs is only 80% of the UK average (and 92% of East Midlands average)

Lincolnshire – some facts and figures

- Employment rate 74.8% (national average 72.9%)
- 88% of Lincolnshire's business are microenterprises (employing fewer than 10 FTEs)
- 10% are “small” employing 10-49 FTEs
- 46,400 self-employed (10.4%) – This is higher than the regional average (7.9%) and the national average (9.1%)
- Over 10% of people are employed in food and farming, contributing nearly 13% of the county's GVA
- 21% of Lincolnshire's population are over 65 (compared to the national average of 16%)
- High rates of EU migrants in the county – 13% of the East Midlands share of EU Accession migrants live in the districts of Boston and South Holland

What is the Rural Economy?

- Economic activity in rural areas – spatially defined OR
Economic activity that itself might be described as rural?
- Are there many different rural economies?
- “The economy of rural and urban areas has to be seen as complimentary parts of a larger economic entity. There is no such thing as simply an urban economy, just as there is also no rural economy” (Cabus & Vanhaverbeke 2003, p14).

UNDERSTANDING RURAL BUSINESS

DEFINITION OF RURAL BUSINESS

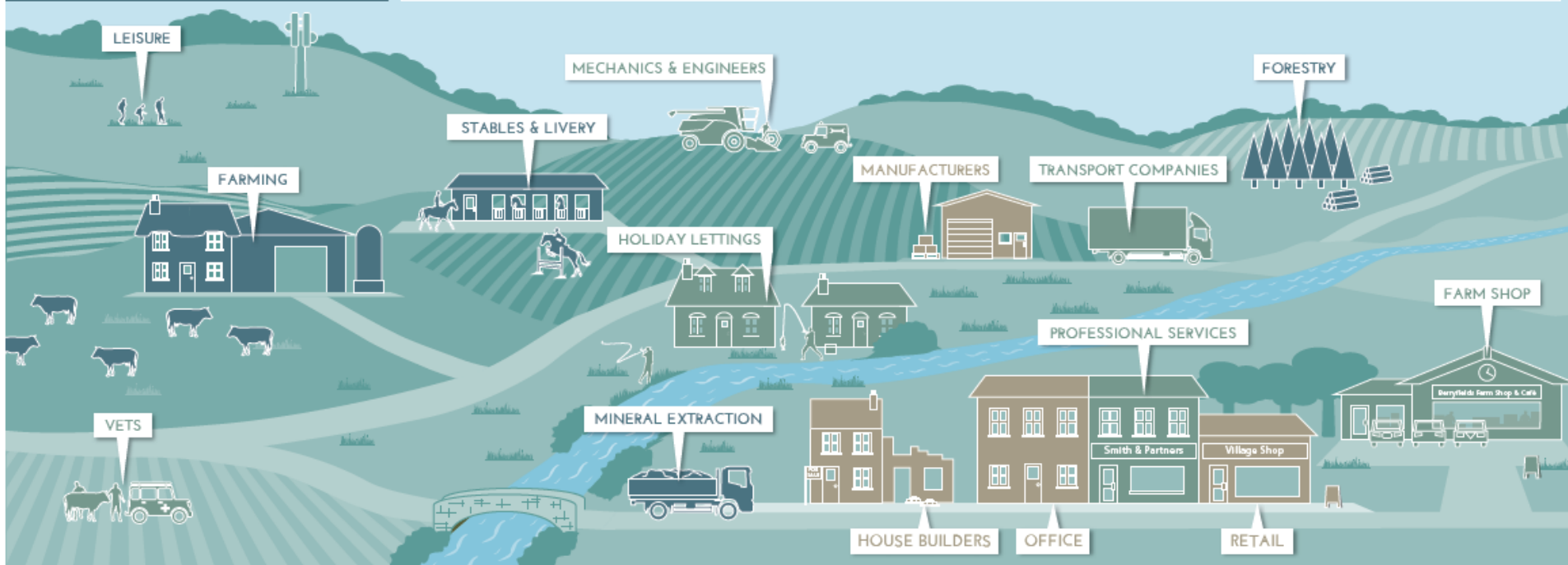
In seeking to understand the size and impact of rural business it is important to set out a definition. Businesses in rural areas fall into three distinct types.

THE THREE TYPES OF RURAL BUSINESS:

LAND BASED
RURAL BUSINESS

LAND RELATED
RURAL BUSINESS

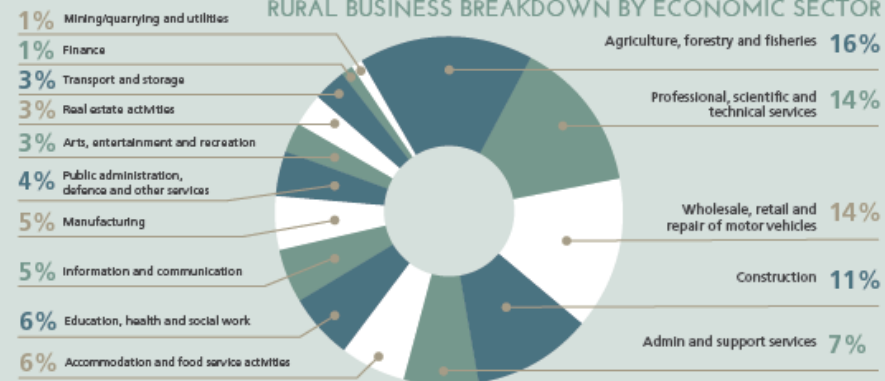
OTHER BUSINESS LOCATED
IN RURAL AREAS



NUMBER OF RURAL BUSINESSES



RURAL BUSINESS BREAKDOWN BY ECONOMIC SECTOR



CLA,
2016

Characterising rural businesses – Tales from the paperman[☆]

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Self-employment
Rural society

ABSTRACT

A case study of a self-termed 'rural business' is used to deconstruct the concept of a rural business and shed light on specific features of 'operating in a rural area' and 'serving a rural population'. Alongside 'selling a rural product', the paper claims that these make up three parameters for categorising rural businesses. Highlighting these unique defining features of a rural business makes it possible to recognise values that extend beyond financial measures. As such, this research provides a mechanism to support rural policy aimed at delivering both economic and community development objectives.

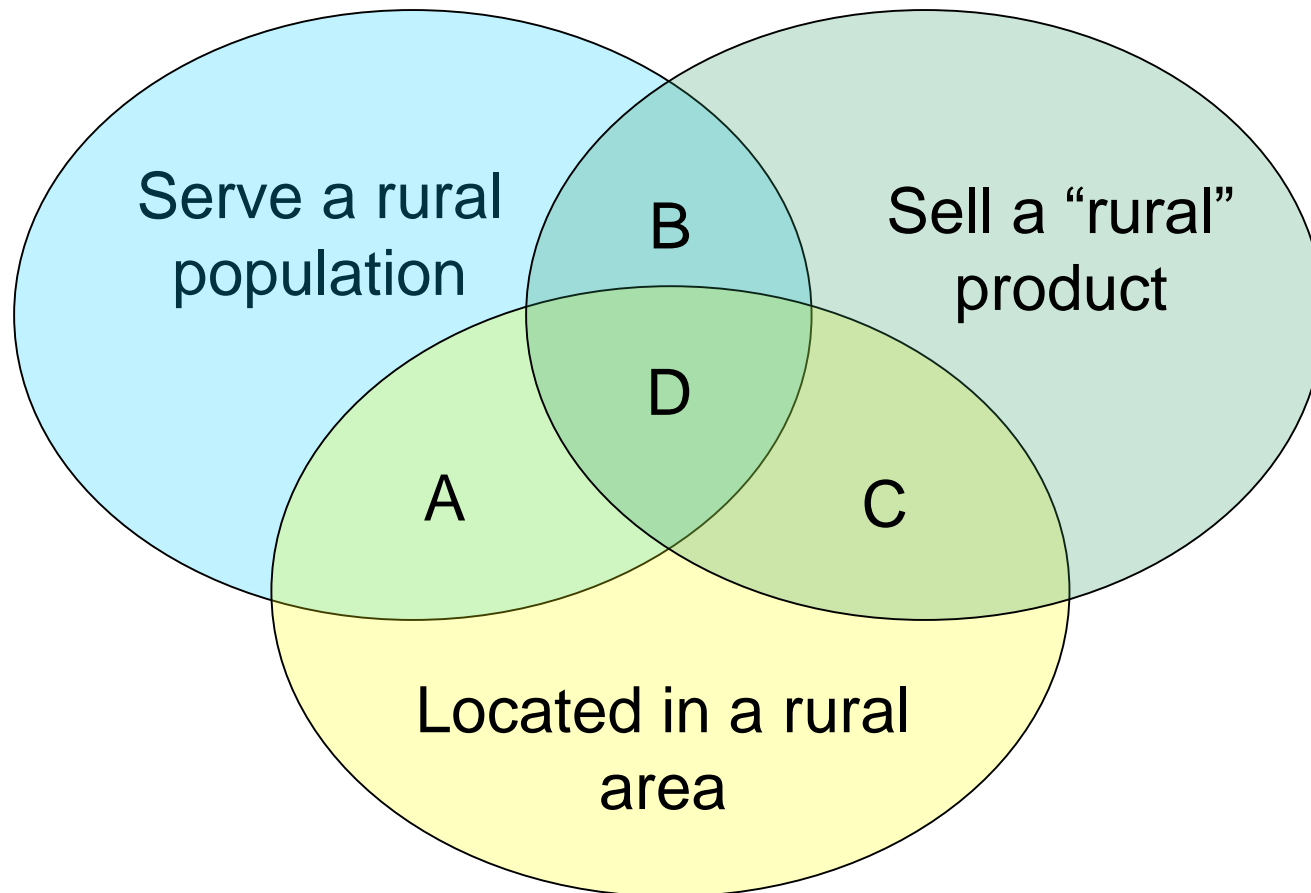
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1. Introduction

It has been much debated in rural sociology and economic research, but a meaningful definition of a rural business remains somewhat elusive. In the UK we might think of a farm, a farm shop, a village pub, a recreation activity, a tourism business; or maybe the milkman or the post office, a vet, a land agent, an organised hunt or shoot, a rural estate, a garden centre...I could go on. In other

except in the height of summer, take no holidays and use their kitchen as a newspaper and magazine sorting station each morning. As I grew older, it was clear from other children that this was more than slightly unusual but they seldom complained and it was the only way of life I knew. I can therefore recount the story from an "internally normalised perspective" before unpacking some of the sociological issues around the "rural" nature of the business.

What is a rural business?



‘Diamond’ Harwell Business Park, in an AONB, Oxfordshire (with thanks to Roger Turner)



Crystal Scientific (UK) Ltd



Crystal Scientific is the specialist manufacturer of x-ray reflection and diffraction optics for synchrotron applications. Started by Dr. Simon Cockerton in 1995, Crystal Scientific has supplied synchrotrons across the world. Since 2008 they have been located in purpose-built manufacturing premises, in rural Northumberland. Their location minimises vibration, a key requirement for their high precision work.

OPPORTUNITY 1:

“Countrysides of Consumption”

- We have moved to a rural economy that is driven by consumption and our consumption demands are those of an urban society (Slee, 2005; Woods, 2005)
- “Rural goods and services are directed toward and consumed disproportionately by people with strong ties to urban and big city populations” (Lichter & Brown, 2011)
- What are the implications for rural entrepreneurs?

New Demands for Old Skills



**Drystone walls are
no longer just for
keeping in livestock!**

OPPORTUNITY 2:

A wider appreciation of rural assets

What does rurality provide as an asset to the businesses?

- space and freedom to think, peace, security (relational)
- views, experiences, aesthetics, nature (recreational)
- community, networks, lifestyle (personal/social)
- authenticity, freshness, artisanship (branding)

From ongoing collaborative research with Hanne Bat Finke, University of Southern Denmark

Chapel Studios and The Curve



Wine and Cider Manufacturers



The Rural Business Environment

Opportunities:-

- Fewer direct competitors
- Environmental capital – tourism
- Land resources
- Close knit communities
- Lower labour and property costs
- Potential to create unique business identity
- Less congestion
- Local knowledge
- Grant funding
- Can be portfolio entrepreneurs
- Potential for small firm to have big impact locally

Drawbacks:-

- Fewer customers
- Environmental regulations/planning
- Slower spread of technology
- Tourism and agriculture – traditionally low value adding
- Close knit communities
- Sparse networks
- Lower labour and property costs
- Transport costs

OPPORTUNITY 3:

Rural Broadband

- Innovation, efficiency-savings & competitiveness
- New business models
- Home-working and home-based businesses
- Knowledge exchange and access to information:
- *“You can keep an eye on it on the screen now, we get emails most days from big suppliers across the country saying this camera or this new lens is coming out so we don’t really miss out.”*

OPPORTUNITY 3:

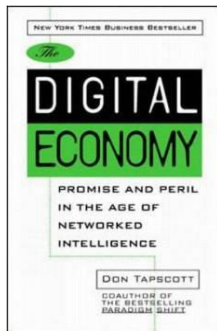
Rural Broadband

- Innovation and competitiveness
- Home-working and home-based businesses
- Onlincolnshire projects:
 - Enhanced online marketing
 - Innovative technologies integrated in new business model
 - New network development and collaborations
 - Demonstration videos
 - Stock control & sales forecasting
 - Logistics planning for global sales

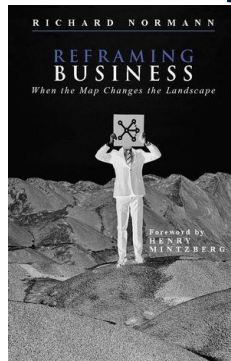
Why is Online Competitiveness Important?

- In every sector, every business, in every location is being challenged by changes in digital technology and the internet
- Leading to new business models
- SMEs who embrace technology outperform those that are slower adopters
- SMEs using cloud technology are 26% faster and 21% more profitable than those without (*Deloitte September 2014*)

1995 Economy



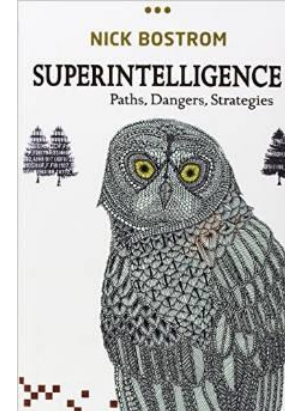
2001 Landscape



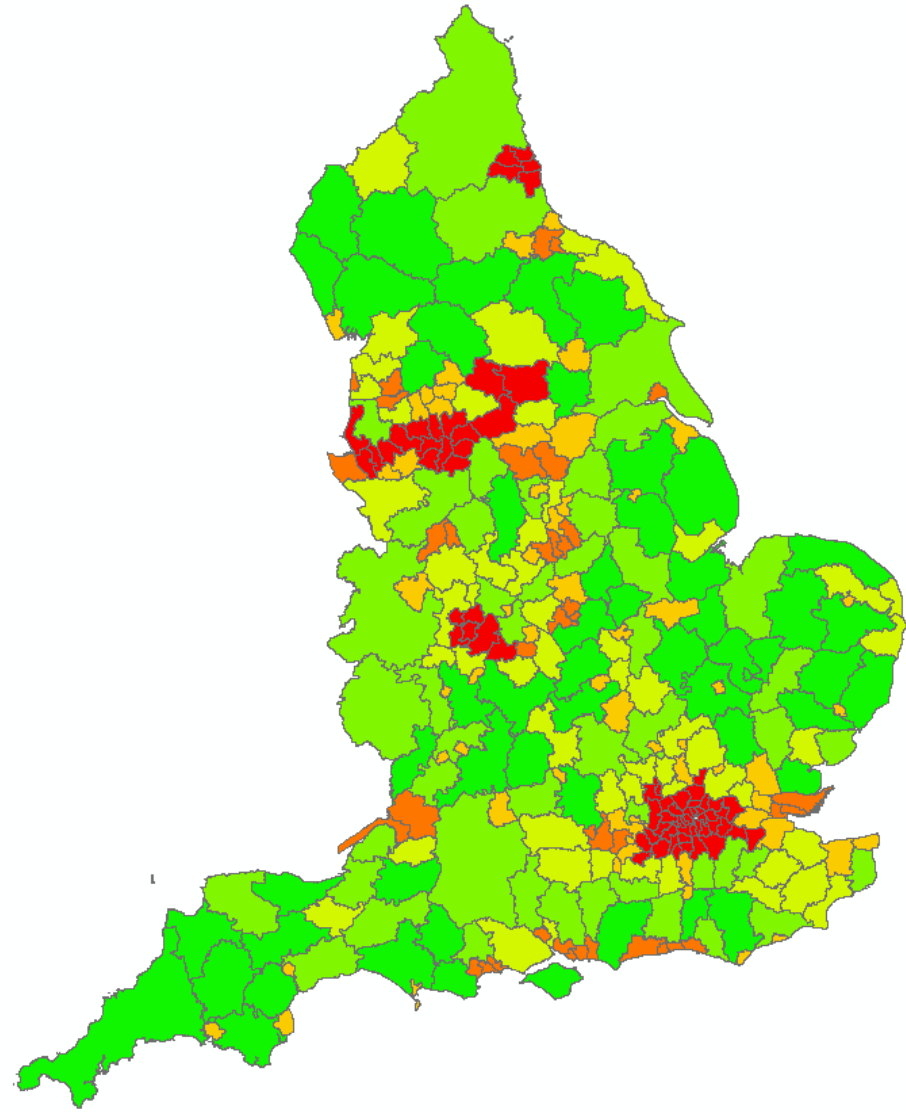
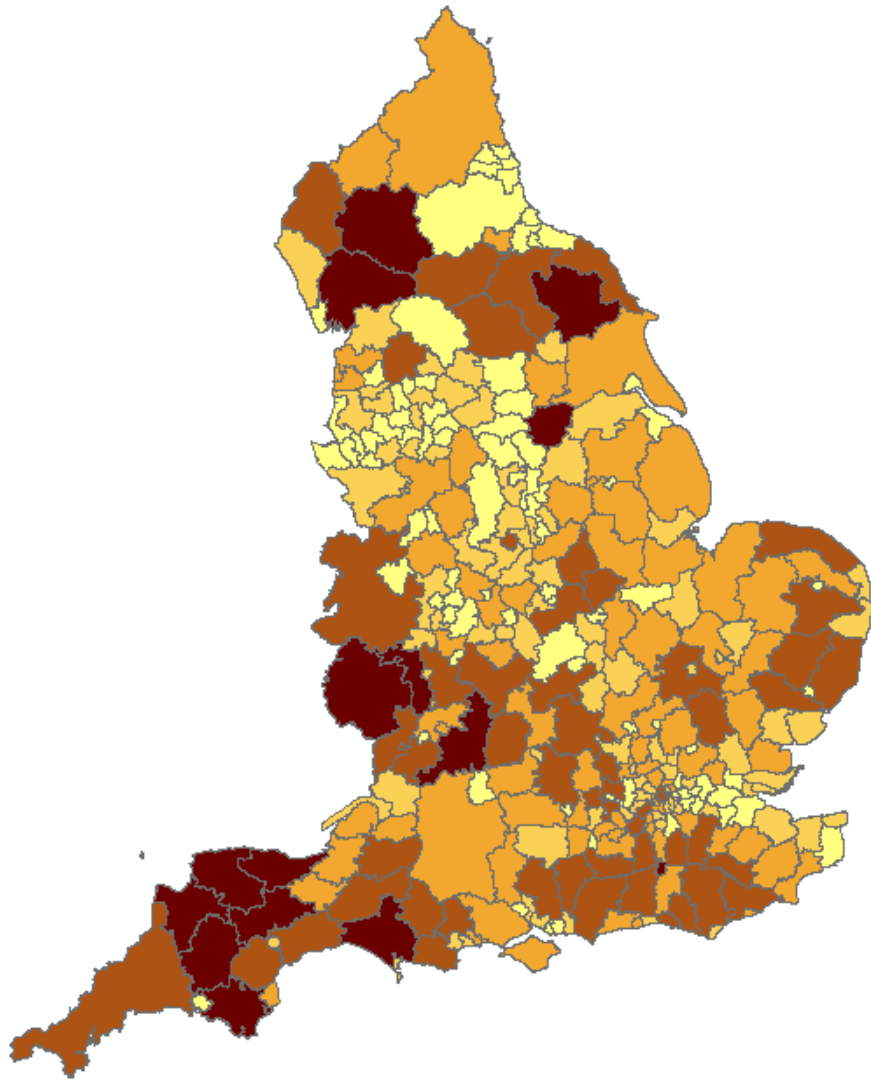
2013 'Things'



2015 Intelligence



The distribution of HBBs and the rural urban classification in England



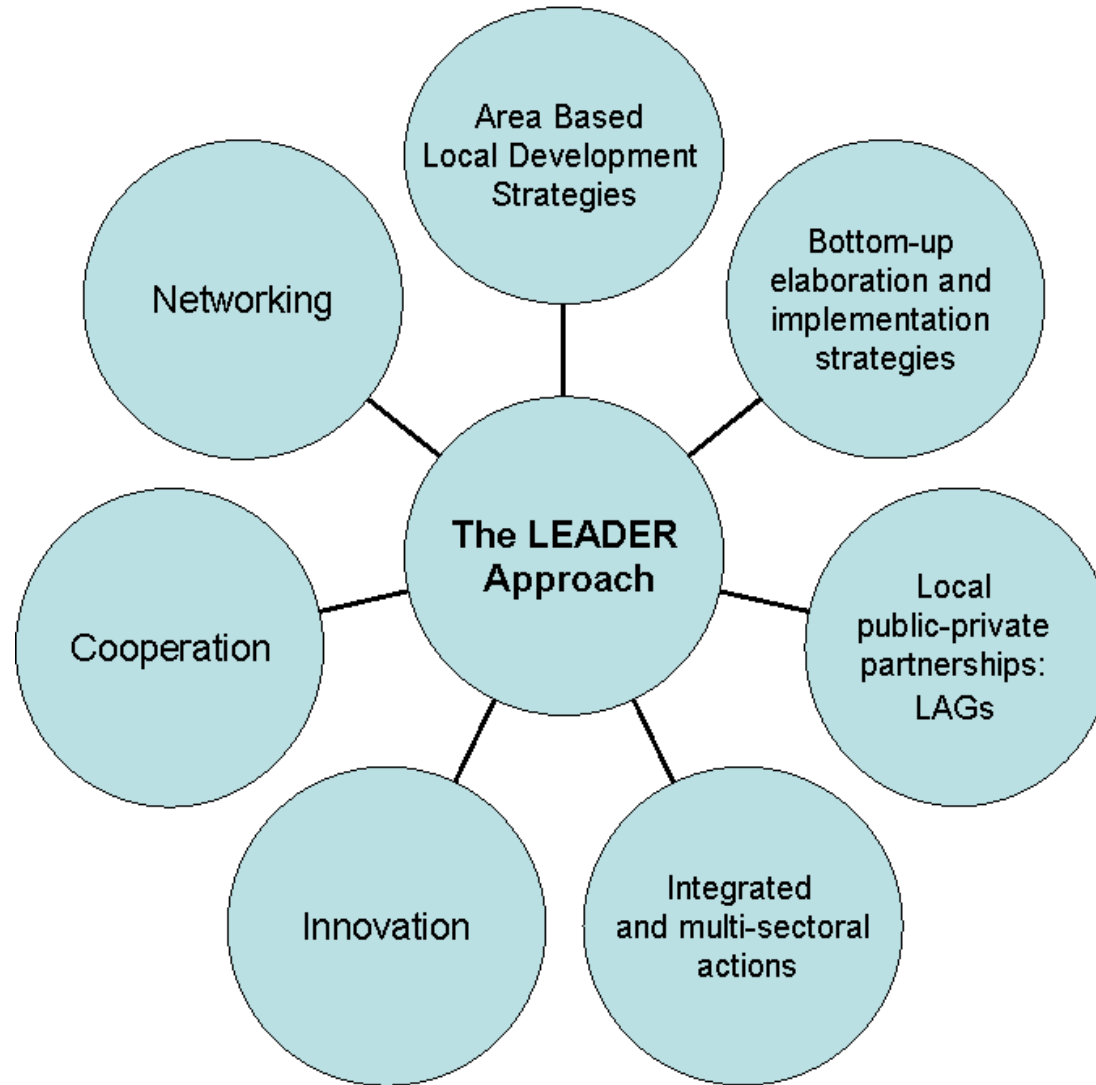
District	Homeworkers as % of economically active	HBB as a % of economically active
Boston	6.11	3.51
East Lindsey	8.94	5.31
Lincoln	4.38	2.26
North East Lincolnshire	4.05	2.19
North Kesteven	7.71	4.24
North Lincolnshire	5.69	3.09
South Holland	7.93	4.59
South Kesteven	8.34	4.59
West Lindsey	8.95	5.20
Total/average	6.90	3.89

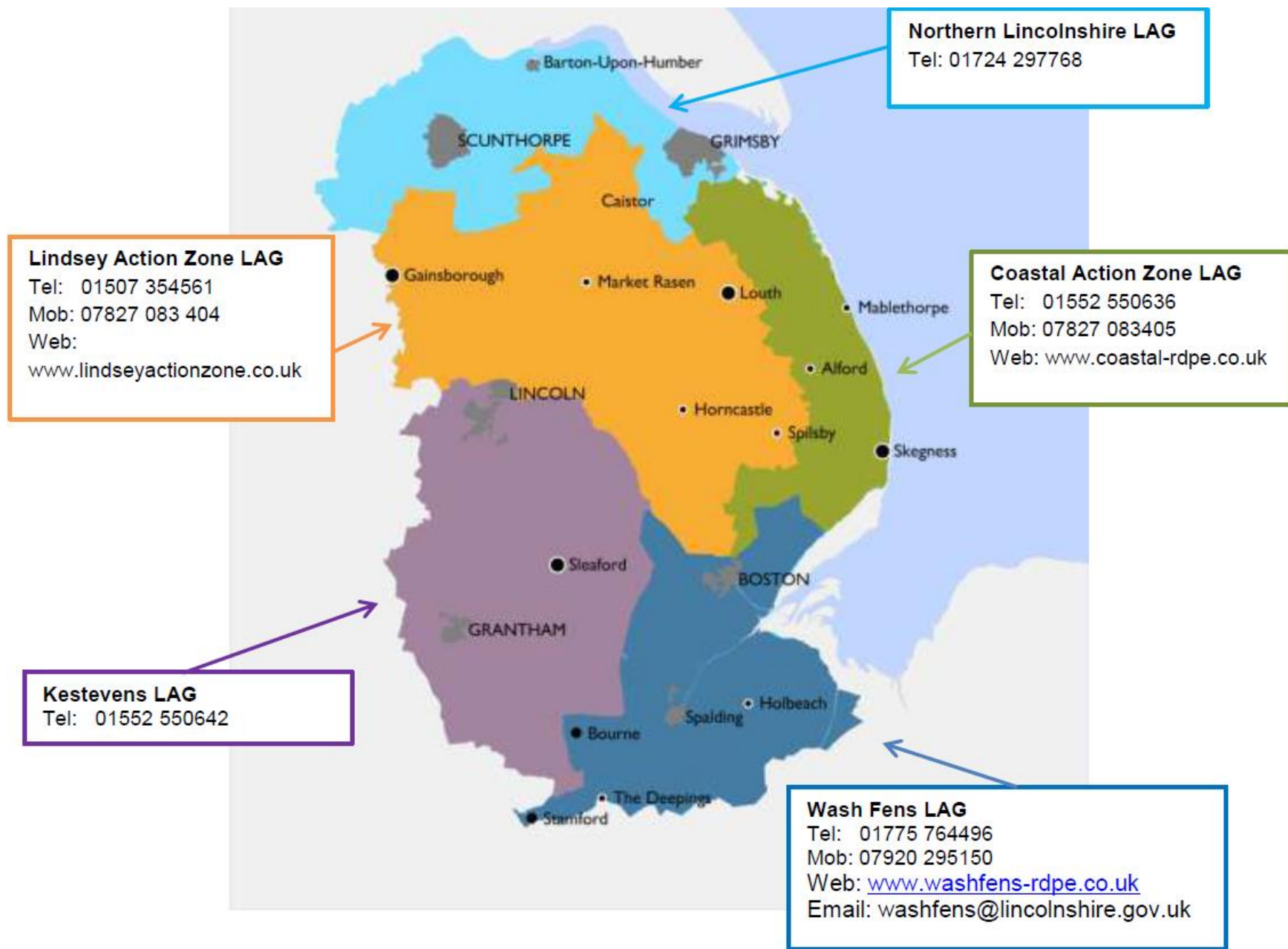


Competition

- “Every 6 minutes you see an Asda van go by delivering...I don’t know how it pays because you can stipulate when you order and you can’t tell me that it can possibly pay their diesel to go up their”
- “It has eaten into our market, we are fighting for the scraps”
- “If we were not on a main road we would not be here. 40% of our turnover is passing trade”
- Cummings and Johan (2010) Smaller rural communities can see a decline in entrepreneurship with the introduction of broadband

Opportunity 4: LEADER (subject to Brexit...?!)





What Has LEADER done well?

	Strongly Agree	Agree	Neither agree/ disagree	Disagree/ strongly disagree
Promoting networking & sharing best practice ¹	23%	47%	23%	8%
Helping make the area a better place ²	45%	45%	7%	3%
Taking a bottom-up approach ¹	42%	41%	11%	6%
Supporting innovation ²	36%	45%	11%	8%

1: Data from 503 usable responses; 2: Data from 506 usable responses

Some examples of LEADER impacts

Project	Description
North Pennine Dales 3 (social and cultural centre)	Volunteers formed a trust, modernised their business approach and the public space
Cumbria (Enterprise Centre)	Restored a prominent historic building and provided workspace for over 30 small businesses
North Pennine Dales (Creative business studios)	New studios have created free workspace to enable young entrepreneurs to establish and grow a business
Cumbria (agricultural produce factory/wholesale)	A network of 50+ farmers have been enlisted to strengthen local supply chains & animal welfare standards and safeguard local jobs
West Kent (farm shop)	The farm is now defined by its new farm shop and the LEADER experience has inspired new initiatives in renewable energy
West Kent (farm co-op and machinery investment)	The participating farmers have gained vital credibility as exporters to Continental markets and their newly created network enabled them to invest in state of the art machinery for their niche product
Cornwall (Pottery business)	Funding was used to build a clay recycling shed at the pottery creating additional space for the business to grow, employing 2 new potters
Lincolnshire (Country Park)	Investment in indoor facilities lengthened the visitor season to improve local employment and provide year-round community meeting spaces
Lincolnshire (Drinks manufacturer)	Investment in new machinery increased output, created employment and widened market reach.

Opportunity 5:

Turning challenges into opportunities

- Saline agriculture
- Migrant entrepreneurs
- Commuters and “counterurbanisers”
- Rural pubs, microbreweries, local foods – linked to place branding and tourism
- Social innovations and community-run enterprises
- University partnerships

14th Rural Entrepreneurship Conference

15-17th June, 2016 at Hill Holt Wood, Newark & University of Lincoln



Thank you, any questions?

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