



Rural Policy Centre Policy Briefing



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'Rural Enterprise Evidence in Scotland': Report of workshop discussion¹

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Introduction

This briefing reports the key issues discussed at a 'Rural Enterprise Evidence in Scotland' workshop held in Edinburgh in November 2019. The workshop was attended by a wide variety of stakeholders from across Scotland, including local authorities, LEADER staff, national, regional and local business support agencies, and Scottish Government.

The workshop aimed to generate a shared understanding of:

- Evidence of enterprises operating in Scotland's rural areas, from active business surveys;
- The application of such evidence to (rural, enterprise and wider) policy development and practice; and
- Potential improvements in the evidence base and its application to policy and practice.

Workshop discussion

Following presentations about three key rural enterprise survey and evidence projects³, participants were asked to consider four key questions in break-out discussion groups:

- i. Key rural enterprise evidence gaps;
- ii. Why they are important;
- iii. How best to fill them;
- iv. How to make evidence relevant to, and useable for, policy-makers and practitioners.

The remainder of this briefing details the key issues raised in discussion, according to these four questions. The briefing concludes by summarising the next steps in this project.



¹ The workshop and writing of this briefing are part of a larger project which is funded by a Scottish Funding Council Universities Innovation Fund Knowledge Exchange grant. The project aims to undertake a series of knowledge exchange activities in order to raise the profile and policy impact of SRUC's work on rural businesses and economies, alongside that of [HIE](#) and the [Rural Enterprise UK Research Team at Newcastle University](#).

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³ The survey presentations are all available to download from the webpage for this project here: XX. More information about the surveys can be found in Turner, R. (2019) *Rural Enterprise Evidence in Scotland*, SRUC Rural Policy Centre Policy Briefing November 2019, RPC PB 2019/01.

Key rural enterprise evidence gaps

- Micro- and small-enterprises, including home-based businesses and those that are not registered for VAT. Whilst evidence from some of these enterprises are captured by current surveys, their numbers in these surveys are small when compared with their scale in our rural economies, and some of these, at least, are the potential future growth businesses.
- Equally we need to better understand the larger businesses operating in rural areas (some of which may be family businesses) to understand their characteristics and their local linkages and 'embeddedness'.
- Non-traditional rural sectors, such as creative, care and wellbeing, and digital activities – we need this information, for example, to accurately identify and tackle skills gaps and requirements across all sectors.
- Rural businesses' actual and potential contributions to tackling key policy challenges and opportunities such as climate change, demographic ageing, etc. rather than a continued emphasis on rural businesses' needs and limitations.
- The role of the planning system in acting as a facilitator of, or a barrier to, business development.
- The type and extent of networks in rural areas and how they may be better utilised to support business (and other) development. Linked to this, additional evidence is needed at more granular level about rural businesses' access to, and use of, a variety of public, private and third sector support services.
- More comprehensive evidence of the extent and type of contributions of rural businesses to demonstrate the importance and relevance of rural (i.e. many rural areas are not dependent on urban areas for their survival) – this thorough understanding is critical for mainstreaming to be successful.
- The (positive) drivers and (negative) constraints for setting up businesses in rural areas, such as affordable housing, transport and childcare, and how these link to current policy agendas around equalities and inclusive growth agendas.
- The links between rural business creation and growth, and repopulation and in-migration.
- Different measures of rural business success, including wellbeing, to move away from the traditional emphasis on economic outputs and growth.
- Better measures of business' productivity, recognising that in rural areas many owners do several jobs and labour units are low.
- Qualitative evidence of running rural businesses – whilst such evidence may be more time-consuming to collect and analyse (e.g. through in-depth case study work), it may be hugely valuable alongside large-scale quantitative surveys and analyses. Such an approach could help to better illustrate and focus on issues such as gender, disability and ethnic origin, and the 'realities' of running a rural business, such as seasonality, use of family labour, sub-contractors, the pros and cons of a rural location and of homeworking, etc.



- Longitudinal work can be highly valuable in monitoring changes over time, though to be meaningful and respected this requires consistent access to, and survey of, many businesses⁴, as the presented surveys illustrated.
- Understanding the importance of gender when running a business and the particular challenges that women entrepreneurs and business owners may face, particularly in rural areas, and how these might be overcome through tailored support.

Why are these important gaps to fill?

- For workshop participants, it was felt that there are some examples of strategies and programmes that had been inadequately 'rural proofed' and which therefore appear to have minimal relevance to Scotland's rural businesses. The UK Industrial Strategy and its Grand Challenges⁵ were cited as examples, as was the Scottish Government's 'Scotland: a trading nation' export strategy⁶. Rural proofing to ensure mainstreaming requires a thorough, accurate and up-to-date evidence base to demonstrate how a policy/strategy may impact differently on a rural area/business and to shape appropriate responses to this situation.
- Filling these evidence gaps will also help to demonstrate where there are potentially conflicting policy priorities and how these conflicts might be resolved (e.g. economic growth v. wellbeing and tackling inequalities).
- Open-ended questions or case study approaches (e.g. to tackle the *why?* questions) alongside large-scale surveys (tackling the *what?* questions) can be critical in adding complementary, valuable evidence, insight or explanation to feed into policy and practice.
- The example of the new South of Scotland Enterprise Agency is valuable. Workshop participants reported that businesses in the South of Scotland have been surveyed to find out their opportunities, challenges, support needs, etc. to directly inform the shape and work of the new Agency. This is a direct example of evidence shaping policy and practice responses.

How best can rural enterprise evidence gaps be filled?

- There is a need for both rural boosts to national surveys (meaning that the same information is collected in a standardised way to enable comparisons to be made e.g. in terms of the '*what?*') as well as local or regional rurally-tailored surveys (which pick up on local differences e.g. in terms of the '*why?*') as they provide complementary information.
- National/regional level survey information can be useful in guiding follow-up regional/local level surveys for more in-depth investigation⁷. Assuming some standardisation across different surveys, gaps in one survey can potentially be filled through another. Having said that, challenges will always exist, for example in relation to the use of different urban:rural classifications in different geographies which mean that care may be required when seeking to directly compare results.

⁴ For more discussion of the challenges of undertaking longitudinal work, please see the first briefing written as part of this project: Turner, R. (2019) *Rural Enterprise Evidence in Scotland*, SRUC Rural Policy Centre Policy Briefing November 2019, RPC PB 2019/01

⁵ For more information, see: <https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future>

⁶ For more information, see: <https://www.gov.scot/publications/scotland-a-trading-nation/>

⁷ An example of this is in relation to firms' exporting behaviour. There are questions on international and UK trade in the Longitudinal Small Business Survey analysed for rural:urban differences by the Rural Enterprise UK team at Newcastle University, and in the HIE business panel surveys and the SRUC Rural Business Surveys. The latter two surveys provide valuable additional sub-regional data, with the SRUC survey also providing additional qualitative insight into non-exporters.

- The dangers of survey fatigue potentially leading to low response rates are very real if surveys at national, regional and local levels are not joined up and complementary. Collaborative working is essential.
- We need to raise the awareness of policy makers, academics, businesses, business support agencies and associations, etc. about the different surveys that exist and how they might contribute to, and indeed use, them.
- It may be possible to make fuller use of existing business databases, nationally, regionally and locally, subject to data regulation etc. requirements. Such existing databases that can be used need to be made more visible⁸. While confidentiality and anonymity are clearly important, it is important to explore ways in which we can work around these challenges to improve local level data collection and analysis.
- We need to explore what, if anything, we can learn from other countries. For example, there may be good evidence or examples from Scandinavia of digital connectivity and repopulation.

Rural areas have opportunities at present to ‘deliver to’ key agendas such as climate change, zero carbon, green energy, inequalities, wellbeing, etc. all of which feature strongly in the current Scottish Government Programme for Government 2019-20⁹. However, these opportunities need to be more clearly demonstrated and evidenced (e.g. through in-depth case study work) to raise awareness of the roles that rural areas can play.

How can evidence be made relevant to, and useable for, policy-makers and practitioners?

- The role of the Rural Economy Action Group¹⁰ is potentially critical here in continuing to communicate and to support the argument for better evidence to inform rural enterprise policy and practice. Similarly, the Enterprise and Skills Strategic Board¹¹ has an important function in ensuring that rural businesses are acknowledged at this national, strategic level.
- Language and terminology are critical – terms such as vulnerability, resilience, fragility, etc. used when gathering evidence may not be understood in the same way by surveyed businesses and those policy/decision makers using this evidence. Similarly, terms that are familiar and widely used in policy and business support circles may not be commonly used by businesses. Again, collaborative working in the gathering, analysis and presentation of evidence and insight will help to reduce the potential for misunderstandings.
- Direct discussions with businesses are important; private sector businesses are often reluctant to do this, but it can be hugely valuable for ‘both sides’. As well as recognising the importance of survey work for informing policy and practice, it is also important to recognise that evidence from surveys can be useful for businesses themselves too (if presented in appropriate ways).



⁸ For example, it may be possible to link Inter-Departmental Business Register data with the Longitudinal Small Business Survey or the HIE survey through business IDs being shared to allow linked data. It may also be possible to tap into databases held by business support organisations; although just to reiterate, confidentiality and data protection and regulation issues must be paramount.

⁹ For more information, see: <https://www.gov.scot/programme-for-government/>

¹⁰ For more information, see: <https://www.gov.scot/groups/rural-economy-action-group/>

¹¹ For more information, see: <https://www.gov.scot/groups/enterprise-and-skills-strategic-board/>

- Ensuring, as far as possible, that surveys address particularly topical policy issues, such as Brexit, can be very helpful in demonstrating their significance to both businesses and to policy-makers.
- Adopting creative ways of linking diverse surveys and other sources of evidence is also important to ensure that complex issues can be understood in a holistic way. For example, bringing together education, schools, skills, employment and business data is important to gain a full picture of labour markets as a whole.
- Finally, all parties active in supporting and enhancing Scotland's rural businesses, require a cross-public sector focus to be given to rural issues. It is not sufficient for a rural 'lens' to be restricted to the Government's rural team.

Project Next Steps

The three organisations involved in the enterprise surveys and analyses which form the focus in this project (SRUC, HIE and Rural Enterprise UK at Newcastle University), together with the Scottish Government, will maintain an ongoing dialogue to ensure that their survey evidence and analysis work is as closely linked and complementary as possible. This will help to ensure that rural business and rural economy issues continue to attract equitable and deserved attention in the policy agenda in Scotland¹². Participants at this workshop, and readers of this Policy Briefing are asked to signpost the lead research team at SRUC's Rural Policy Centre to rural enterprise evidence that they collect, and/or are aware of. Links to this evidence (where possible) will be added to the project webpage¹³ to begin to build a 'rural enterprise evidence hub' that will be publicly available.



We hope that this workshop and shared experience will form the foundation for a marked improvement in, and access to, the rural enterprise evidence base in Scotland.



For more information on the work of SRUC's Rural Policy Centre, please contact the team on:
T: 0131 535 4256; E: rpc@sruc.ac.uk; W: www.sruc.ac.uk/ruralpolicycentre

¹² See the first briefing from this project for more discussion of this policy context: Turner, R. (2019) *Rural Enterprise Evidence in Scotland*, SRUC Rural Policy Centre Policy Briefing November 2019, RPC PB 2019/01. This is available online here: https://www.sruc.ac.uk/downloads/download/1566/rural_enterprise_evidence_in_scotland_-_briefing_1

¹³ Rural Enterprise – Project webpage https://www.sruc.ac.uk/info/120671/our_projects/1808/rural_enterprise