

“Enabling Innovation - How Rural Areas Can Optimise their Economic Futures - a UK Perspective”

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Post-Seminar Discussion

March 21, 2011

- How do we define how well a rural community is doing?
 - Most measurements look to economic indicators such as GDP or employment numbers
 - Well-being and lifestyle also need to be considered
- Lifestyle businesses
 - Many business in rural communities are “lifestyle” businesses, founded by late-career professionals looking to run a small business that will sustain their lifestyle rather than create ongoing business growth
 - A challenge with lifestyle businesses is that they do not lead to broader economic growth
 - Markets are looking for dynamic, “hockey stick” growth, which is generally harder to produce in rural communities
 - Governments can use the presence of late-career lifestyle businesses to leave a community alone
 - Rural communities need to balance lifestyle businesses with growth-driven enterprises
- Attracting young entrepreneurs to rural communities
 - Rural communities offer value to young entrepreneurs
 - Often offer higher quality support and mentoring by those in the autumn of their careers or recent retirees
- Building a dynamic rural economy
 - Each business needs a champion from the private sector who will act as a driving force
 - Need physical locations that match the needs of micro SMEs, e.g., an IT start-up might initially need only 280 sq. ft. for two staff
 - Broadband is critical as are access to academics and clients
 - Enterprise facilitation assists start-ups by finding resources needed to complete the business team
 - Momentum is important as success begets success, and experience begets experience
 - In PEC there is positive energy and activity which has helped attract a cluster of talent
 - E.g., two Masters students moved from Ottawa to PEC and quickly found employment, added value to the community, and have now built/bought houses
 - It has a reputation as an open-minded, progressive, welcoming place
 - “We make something out of nothing,” that is they exposed and manifested creative talent that was already there, in turn becoming a magnet to new talent
 - The branding became a self-fulfilling prophecy
 - Could have simply defined the area as a wine region, but built a bigger brand built on human capital and creative talent, which has become the region’s core
- Changes in rural development
 - China introduced new rural policies in 1979, making some rural areas richer than others as they became industrialized
 - Western development has been different:
 - In the 1950s, rural areas with natural asset-based industries were better off

- Since cars became widely accessible, rural areas without big factories have tended to become wealthier as they become attractive places to live for big city commuters
 - Mark Drabenstott has documented this shift in *Past Silos and Smokestacks*
 - In the UK, the government has traditionally provided funding to rural areas
 - Broadband is the next public contribution/investment; however, policy says “the market will deliver,” which many doubt, as broadband is less profitable in rural communities
- Creative approaches to supporting SMEs in rural contexts:
 - Some incubators are now offering flexible facility access, including office space which is rentable by the hour
 - “Jelly co-working days” encourage home-based businesses to work in an office space about 1 day every two weeks, building exposure to other home-based businesses
- How can isolated communities like Wolfe Island compete?
 - Wolfe Island’s business community is largely seasonal, with most people on the island commuting to nearby Kingston for work
 - This culture limits the viability of businesses on the island
 - There are lessons which can be learned from Stockholm, which, although bigger than Kingston, has similar island communities nearby facing similar issues