

# THE ECONOMIES OF RURAL ENGLAND: THE RURAL ENTREPRENEUR

ENTREPRENEURIALISM IS A SIGNIFICANT FEATURE IN RURAL ECONOMIES. IN 2004<sup>1</sup>, 14.5 PER CENT OF THE RURAL WORKFORCE ARE SELF-EMPLOYED, COMPARED WITH 11.8 PER CENT OF THE URBAN WORKFORCE

Self-employment has been taken up successfully by many rural residents. Some of these work at the cutting edge of design and technology. Others reintroduce services such as local shops and childcare, and some are using communications technology to overcome the difficulties of distance, including translation services and market research firms.

Self-employment is often associated with people wishing to improve their quality of life, gain greater flexibility and earn a better living. Often the countryside lends itself to this way of thinking, a rural location being the best place to live and work. Although self-employment can offer these greater freedoms, people's decisions are often made out of necessity.

A reality can be one of hard graft with modest returns, often made more difficult by limited access to support services. Many start businesses because of poor choice of paid employment or they need a job that allows them to remain in their local area. For women in rural areas, self-employment is often used to combine paid work with the freedom to meet family and home commitments. In many cases, women entrepreneurs only consider the self-employment option because of a lack of local jobs or long periods of economic inactivity.

The Countryside Agency has investigated the contribution of self-employment to rural economies. Half of rural self-employed work is in the construction, wholesale, retail and real



estate sectors, whereas only one in ten start a business in agriculture and manufacturing. Studies show that:

- In-migrants represent a significant proportion of the estimated 570,000 self-employed people in rural areas.
- More women are self-employed in rural areas than in urban locations.
- 75,000 rural self-employed are on very low earnings, particularly women and people above retirement age.

Over half of new firms are started because someone spots an opportunity. Across rural England around 45,000 new firms are created each year. However, 230,000 people in self-employment in rural areas only start new businesses because they are unemployed or they have been economically inactive for a period of time. Young people, single parents and those recovering from mental illness can be particularly vulnerable to such absences.

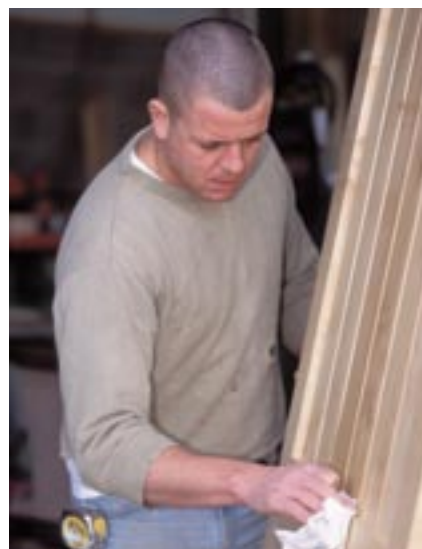
Economies Programme Manager Roger Turner says the Countryside Agency is focused on improving understanding of the characteristics of self-employment and identifying gaps in support provision:

*"The range of help organisations is useful for meeting varied needs but it can lead to confusion and duplication. Self-employment support needs to be complementary and well co-ordinated. It is not a case of one size fits all; there are also considerable differences between the unemployed and others wanting to start up businesses. We believe an assessment of each individual's needs is vital to identifying the most appropriate form of business support. In order to deliver this tailored support, greater co-ordination needs to exist between different support providers."*

Those who enter self-employment through economic inactivity or young people soon after leaving education, can find support and

advice from organisations beyond Business Links. For example, advice is available through the Prince's Trust and New Deal Job Centres. These can help to reach, in particular, those who are self-employed as a necessity.

The Countryside Agency's research into support for self-employment in rural areas has identified the importance of these additional sources of advice. Micro-businesses in rural areas require more tailor-made support due to their distinctive needs and the difficulties in delivering this support. The research supports anecdotal claims that rural firms are more expensive to reach by traditional face-to-face advisory services and there may not be a critical mass of firms to make local training cost-effective.



**For further information please contact Roger Turner, Countryside Agency Economies Programme Manager on 01242 533365, or visit our website <http://www.countryside.gov.uk/NewEnterprise/Economies/Index.asp>**

<sup>1</sup> State of the Countryside Report 2004: (See: [www.countryside.gov.uk/EvidenceAndAnalysis/state\\_of\\_the\\_countryside\\_reports/NationalSOCR.asp](http://www.countryside.gov.uk/EvidenceAndAnalysis/state_of_the_countryside_reports/NationalSOCR.asp))