

## The Academic debate surrounding Rural Business

1. The academic debate has shifted towards an acceptance that a “rural business” is not simply any business in a rural location (Bosworth,<sup>1</sup> Korsgaard et al.<sup>2</sup> Moyes et al.<sup>3</sup>), particularly given the increasing interconnections and interdependencies between urban and rural economies (Lichter and Brown,<sup>4</sup>). For example, some businesses located in urban areas play pivotal roles in rural supply chains and rural service provision while other businesses located in rural areas are embedded in urban networks and have minimal local economic impact. Korsgaard *et al*<sup>5</sup> make the helpful distinction between “rural entrepreneurship” and “entrepreneurship in the rural space”, where the latter may be less embedded in the rural locality.
2. As the rural economy is no longer just synonymous with agricultural and primary production, research into broader rural business characteristics and dynamics has flourished. As far back as 1990, Wortman<sup>6</sup> noted that while it is easy to assume that everyone knows what rural entrepreneurship means, the community, economic and cultural development objectives, and the relationship between urban and rural entrepreneurship each demand systematic investigation. Internationally, several academic authors have charted the growth of farm diversification (Seuneke and Bock<sup>7</sup> McElwee and Bosworth<sup>8</sup>), tourism (Dana et al.<sup>9</sup> Di Domenico and Miller, Phelan and Sharpley<sup>10</sup>), home-based businesses (Newbery and Bosworth,<sup>11</sup>) and creative industries in rural areas (Roberts and Townsend,<sup>12</sup>). Such research builds on, and adds to, substantially improved profiling of the characteristics, challenges and contributions of businesses located in rural areas of the UK (Turner, 2014; Atterton, 2016; Scottish Government, 2016; Phillipson *et al*, 2017; REUK, 2017; CRC, 2007-11; Defra, 2014-17). In particular, the evolving social construction of rural areas alongside increased mobility has created distinctive opportunities for consumer-focused businesses to prosper in rural areas (Slee<sup>13</sup>). In England, these areas of growth have emerged alongside declining numbers of

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<sup>1</sup> Bosworth, G. (2012) “Characterising rural businesses – tales from the paperman”, *Rural Studies*, 28(4), pp. 499-506

<sup>2</sup> Korsgaard, S., Muller, S. and Tenvig, H. (2015) “Rural entrepreneurship or entrepreneurship in the rural – between place and space”, *International Journal of Entrepreneurial Behaviour and Research* 21(1) pp. 5-26

<sup>3</sup> Moyes, D., Ferri, P., Henderson, F. and Whittam, G. (2015) “The stairway to Heaven? The effective use of social capital in new venture creation for a rural business”, *Rural Studies* 39, pp. 11-21

<sup>4</sup> Lichter, D. and Brown, D. (2011) “Rural America in an Urban Society: Changing Social and Spatial Boundaries.” *Annual Review of Sociology*. 37, pp. 565-592

<sup>5</sup> *ibid*

<sup>6</sup> Wortman Jr, M. (1990) *Rural Entrepreneurship Research: An integration into the Entrepreneurship Field*. *Agribusiness* 6(4), pp. 329-344

<sup>7</sup> Seuneke, P. & Bock, B. (2015) ‘Exploring the roles of women in the development of multifunctional entrepreneurship on family farms: an entrepreneurial learning approach’, *NJAS- Wageningen Journal of Life Sciences*, 74-75, pp.41-50.

<sup>8</sup> McElwee, G. & Bosworth, G. (2010) Exploring the strategic skills of farmers across a typology of farm diversification approaches. *Journal of Farm Management* 13(12), pp. 819-838

<sup>9</sup> Dana, L-P., Gurau, C. & Lasch, F. (2014) Entrepreneurship, tourism and regional development: a tale of two villages. *Entrepreneurship & Regional Development* 26(3-4) pp. 357-374

<sup>10</sup> Di Domenico, M., and Miller G. (2012) ‘Farming and tourism enterprise: Experiential authenticity in the diversification of independent small-scale family farming’ *Tourism Management* 33(2), pp. 285-294

<sup>11</sup> Newbery, R. and Bosworth, G. (2010) Home-based business sectors in the rural economy. *Society and Business Review* 5(2), pp. 183-197

<sup>12</sup> Roberts, E. and Townsend, L. (2016) “The contribution of the creative economy to the resilience of rural communities: Exploring cultural and digital capital”, *Sociologia Ruralis*, 56(2), pp. 197-219.

<sup>13</sup> Slee, R.W. (2005) From countrysides of production to countrysides of consumption? *Journal of Agricultural Science* 143, pp. 255-265

traditional retail and health services as well as declining rates of employment in agriculture (Rural England<sup>14</sup>).

3. Government recognises the myriad of business types, in their analyses *Time for a strategy for the rural economy* it is stated; there were 547,000 businesses registered in rural areas in England in 2016/17, accounting for 24 per cent of all registered businesses and employing 3.5 million people (13 per cent of all those employed by registered businesses in England). Rural areas have proportionately more small businesses than urban areas and although agriculture has a significant physical presence in rural areas, it is just one part of a diverse rural economy. The Federation of Small Businesses highlighted that the overwhelming number of businesses in rural areas are SMEs, including sole traders. There is clearly no distinction about 'what' a rural business is, simply that businesses exist in rural areas and that this should be encouraged.
4. The NPPF distinctly encourages the enabling of growth and expansion of ALL TYPES OF BUSINESS in rural areas. Furthermore, Holgate J stated in *Dignity Funerals Limited v Breckland District Council* [2017] EWHC 1492 (Admin), NPPF distinctly encourages '*a positive approach to sustainable development in rural areas and does not require 'need' to be shown in contrast to more cautiously worded objectives of policy.*' para.61.<sup>15</sup> The NPPF speaks to the need to support a prosperous rural economy, placing no limitations on the type of business...stating instead ALL TYPES of business. The LDP speaks of supporting other types of rural business, that it wishes to create a 'pro-business district' yet seems to be narrow in its view on what these businesses can be without recourse to all the above.

See also

[https://nrl.northumbria.ac.uk/id/eprint/43007/1/Finke\\_Bosworth\\_Local\\_Economy\\_Final\\_Draft.pdf](https://nrl.northumbria.ac.uk/id/eprint/43007/1/Finke_Bosworth_Local_Economy_Final_Draft.pdf)

<https://www.sciencedirect.com/science/article/abs/pii/S074301671200071X>

<https://www.sciencedirect.com/science/article/abs/pii/S074301671200071X>

<https://www.enterpriseresearch.ac.uk/wp-content/uploads/2014/09/Out-of-the-shadows-formatted.pdf>

<https://www.sciencedirect.com/science/article/abs/pii/S074301671730102X>

<https://eprints.whiterose.ac.uk/206139/10/1-s2.0-S0743016723002450-main.pdf>

[https://nrl.northumbria.ac.uk/id/eprint/43023/1/Commercial\\_counterurbanisation\\_2019\\_final\\_draft\\_accepted.pdf](https://nrl.northumbria.ac.uk/id/eprint/43023/1/Commercial_counterurbanisation_2019_final_draft_accepted.pdf)

<https://www.gov.uk/government/statistics/rural-enterprise/rural-business-statistics>

<https://www.enterpriseresearch.ac.uk/wp-content/uploads/2017/03/ERC-ResPap58-PhillipsonGorton-et-al.pdf>

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<sup>14</sup> REUK. (2017) Small Rural Firms in English Regions: Analysis and Key findings from UK Longitudinal Small Business Survey, 2015. September 2017. Rural Enterprise UK, Newcastle University.

<sup>15</sup> See also *Sienkiewicz v South Somerset District Council* [2015] EWHC 3704 (Admin)

