Innovative Sectors in Peripheral Rural Areas

Workshop on Innovation in Remote and Peripheral Areas

19 May 2010

Workshop notes
The workshop was opened by Dr Jillian MacBryde of the University of Strathclyde’s Department of Management Science, who welcomed around 20 participants, representing the Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise, UHI, South of Scotland European Partnership, Highlands and Islands (Scotland) Structural Funds Partnership Ltd (HIPP), SWRDA, ONE North East, BIC Innovation (Wales), Electronics Scotland, Innovation Norway, the Norwegian Ministry of Local Government and Regional Development, Targeting Innovation and Rosinak (Austria). Apologies were made by representatives of Údarás na Gaeltachta (Ireland) and Tillväxtverket (the Swedish Agency for Economic and Regional Growth), who were unfortunately unable to attend.

There were eight presentations given, themed around the topics of supporting innovative sectors and the conditions for innovation in peripheral rural areas. These covered:

- the study background, methodology and initial findings, closing with a number of open questions to which participants could return in the discussion session;

- homeworking in the financial and business services sector in the Highlands and Islands, followed by a DVD presentation on the Vertex pilot project;

- how bicinnovation are helping to deliver the Rural Development Plan in Gwynedd, with examples of innovative projects;

- innovation and regional development policy in Norway, and support for cluster development in Northern Norway;

- the soon-to-be launched Highlands and Islands Enterprise programme ‘HI-Grads’;

- the results of a study on ‘New Prospects for Peripheral Rural Regions’ carried out by Rosinak for the Austrian Conference on Spatial Planning (ÖROK);

- knowledge exchange activity in the Highlands and Islands, including the work of the HI-LINKS programme; and

- an overview of the work of Targeting Innovation in the South of Scotland.

A number of issues and questions were raised by participants during the day. These included:

- Are high levels of self-employment in remote areas simply a means to survival rather than a sign of higher levels of entrepreneurship? Can it therefore be really be considered a ‘strength’?

- What has been the impact of the recession - have businesses been forced to innovate to survive?
• Are levels of innovation any higher in rural areas, for example, is innovation in tourism more prevalent in rural areas?
• How were remote regions defined in the study?
• What constitutes innovation - in the context of budget cuts, it is important to remember that innovation is not just about delivering business support, but also about how public services are delivered.
• Can any conclusions be drawn about whether innovation capacity is less in rural regions than in city regions? Where should the policy focus be?
• What are the advantages to employers to consider new business practices such as homeworking? Are there drawbacks for employees in terms of loss of promotion opportunities and lack of face to face interaction, and had existing infrastructure (broadband) been a barrier so far? Do homeworking jobs attract different kinds of people?
• What is the best way to improve a region’s competitiveness - is it through large scale investment in infrastructure such as broadband, or smaller projects in sectors identified as needing intervention?
• How do you achieve the right balance between exploiting environmental quality to attract inward migration to a region and attracting the businesses needed to develop a successful rural economy?
• Is central level policy out of kilter with the needs of rural and remote areas? National programmes don’t always work in a remote rural environment. #
• Where SMEs and universities work together on innovative projects, how do you encourage universities to use a different business model that ensures IP stays with the business?
• To what extent is innovation demand-led, and what is the role of the public sector in recognising and articulating latent demand?
• In terms of innovative sectors in rural areas, does most innovation happen where there are ‘customers on the door-step’, e.g. in tourism?
• Is it the case that innovation is the same regardless of location, it is just the extent of innovation per business and the number of businesses that differs? Is a lack of desire to grow common to most SMEs regardless of location? The level of risk an SME is prepared to take may be influenced by programmes such as HI-Grads, which introduce someone with a different world view.
• There is a lot of fear around the word ‘innovation’ - and it has to be pitched to businesses in a different way. The definition of ‘innovation’ is also constantly being widened and challenged.
• In times of recession, a rapid rate of business start-up in remote rural areas may disguise the fact that most of these are in fields where innovation is extremely difficult to deliver.
• Is fear of failure higher in some remote rural regions? Are there cultural barriers to innovation?
• How can rural and remote regions develop their capacity to contribute to national growth?