
Starting social enterprises in remote and rural Scotland: best or worst of circumstances?

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Abstract: In the UK, like in other countries, current social policy exhibits a push towards using social enterprises to provide a range of services. Characteristics of rural locations might present a suitable nurturing ground for social enterprise; however, the nature of rurality also raises concerns. This paper considers promoters/barriers to growth of social enterprise for rural service provision. Using a qualitative approach, this paper draws on data from interviews with stakeholders in the Scottish Highlands to assess the likely success of rural social enterprise. Findings indicate that there are specific promoters/barriers to the success of social enterprise in the Scottish Highlands.

Keywords: social enterprise; social economy; rural community.

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1 Introduction

The UK is experiencing a shift in policy concerning design, organisation and delivery of many 'public' services. Changes have primarily come about through realisation that the welfare state in its ideal form is unrealistic and unsustainable. An outcome of changes initiated has been to look to nonstate actors to deliver social welfare provision (Milligan and Fyfe, 2004). As a result, organisations associated with what has been termed 'the social economy' have become important players and contributors to public policy and are increasingly looked on to provide a proportion of social services (DTI, 2002; Scottish Executive, 2003). In Scotland, the social economy plays a substantial role in the economy of rural, peripheral and disadvantaged communities and is already perceived to be a major and effective player in delivering some goods and services (Scottish Executive, 2003). In the Highlands and Islands it is particularly active in complementing statutory public service provision: housing, social care, community development, employment and child-care (SQW Ltd., 2002). The UK government's view is that the role of this sector could be greater. Consequently, the desire for an 'enabling state' (Osborne, 1998) is reflected throughout recent policies promoting the concept of the active citizen-consumer (Cochrane, 1998), who learns to participate in democracy through empowerment in local community development activities. The government seeks to promote and sustain social enterprise activity at local, regional and national levels (DTI, 2002) and growth in the sector can be anticipated. This, coupled with encouraging communities to increase capacity and take collective responsibility for welfare needs, means an increasingly significant role for the social economy in contemporary UK society. However, its growth and development may well be hampered by its ability to deliver.

Rural areas might appear to represent a perfect nurturing ground for social enterprises because of the existence of co-dependence, reciprocity and collective activity (Granovetter, 2005; Shucksmith *et al.*, 1996). Conversely, there are reasons why rural areas might present particularly difficult contexts for growing service provision through social enterprise. Rural residents may resent traditional neighbourliness being acquired and built upon for formal 'entrepreneurial' activity. They may not wish to provide or receive services from well-known neighbours. Given their already diminished experience of service provision, they may resent the imposition of further service provision onto themselves.

Drawing on evidence and data from interviews with stakeholders in the Scottish Highlands, this paper develops understanding about social enterprises in rural locations by exploring the question, *what are the promoters and barriers to the growth of social enterprise for rural service provision?*

2 The social enterprise

Like many other countries, the UK is increasingly nurturing the social economy, and particularly social enterprises, seen as essential to national development (DTI, 2002). The terms 'social economy' and 'social enterprise' frequently punctuate policy, media and research communication creating a contemporary 'hot topic'. Their contribution potentially resonates with social, economic and environmental agendas and the UK government highlights a role for social enterprise in providing services to communities in partnership with the state (DTI, 2006).

Terms such as social economy, social enterprise and voluntary organisation are often interchanged. To clarify, the economy in its broad meaning can be divided into three systems (Pearce, 2003). The first being the private sector, the second the public sector and the third representing the social economy. It is this third system that we are interested in as it is perceived to be created by active citizens, working collaboratively to satisfy social needs and as such it spreads over trading and non-trading activities (Pearce, 2003). This system in Pearce's (2003) view creates the social economy which consists of trading community and voluntary organisations and all social enterprises. Consequently, social enterprise is part of the wider social economy sector. However, social enterprise is regarded as a relatively new concept, albeit one considered ill-defined. Broad definitions have resulted in questions about the nature and operational aspects of social enterprise, to the extent that the sector has been described as a 'loose and baggy monster' (Kendall and Knapp, 1995, p.66). Unsurprisingly, no universally agreed definition of the term exists. One widely used, and adopted by us, is provided by the DTI (2002). It states a social enterprise is: "an organisation that operates independently of the state and is specifically concerned with investment and surplus reinvestment for social objectives". Thus, rather than being driven by the need to maximise profit for shareholders and owners (Scottish Executive, 2003), business solutions are used to achieve public good (Scottish Social Enterprise Coalition, 2007).

Common characteristics of social enterprises have been described as enterprise orientation, social aims and social ownership (Social Enterprise London, 2006). The core driver for social enterprise is perceived as the ability to address a particular social challenge through a formal organisation. Social enterprises, with trading activities used purely to achieve goals and to obtain financial self-sufficiency, are different from the rest of those organisations associated with the social economy such as cooperatives and voluntary organisations. Social enterprises are also distinct from charities, although charities are increasingly looking at ways to maximise income from trading; and from private sector companies with policies on corporate social responsibility. Driven by differing functions, social enterprises can have differing organisational forms and structures (Austin *et al.*, 2006): "some social enterprises start off as businesses, most are in transition from their beginnings as voluntary sector organisations, dependent largely on grants and volunteers and working to increase traded income" (DTI, 2002, p.13). Like other non-profit organisations, social enterprises are awakening to the possibility of a different future. Traditionally dependent on grants and public subsidies, these organisations are ever more aware of the role earned income can play in diversifying revenue sources and improving sustainability.

Primary healthcare, social services, education and utilities represent potential areas for growth of social enterprise provision, particularly health and social care as demographic trends indicate a need for unprecedented levels of services for an ageing population (Scottish Executive, 2003; Reed and Stanley, 2005). The English Department of Health (2006) has issued guidance on developing social enterprise in a range of health-related areas and views engagement in the social economy as an activity beneficial to health and well-being. Policy is less clear in Scotland.

3 Social enterprise in rural locations

Williams (2007) notes those living in remote areas display a greater propensity to engage in social rather than commercial entrepreneurship compared with those living in urban areas. One reason why social enterprise might be especially useful in providing services in remote and rural areas is because they are 'hard to reach' (Osborne, 1998). As they are not viewed as organs of the distant, impersonal state and can take cost-effective, flexible and innovative steps to address particular local disadvantage social enterprises may be popular (Scottish Social Enterprise Coalition, 2007). Such enterprises might be well placed to draw upon the traditional (though perhaps stereotypical) strengths of rural communities – strong mutual knowledge, sense of community and social cohesion (Shucksmith *et al.*, 1996). Moreover, social networks are denser in rural, as compared with urban, settings (Hofferth and Iceland, 1998), with resulting outcomes of high levels of trust and active civic participation (Dale and Onyx, 2005) – key components of the social capital associated with social enterprise development. Informal social support and care have also been found to be higher in rural Scotland (Munro and Carlisle, 1998), for example informal lift-giving (Gray *et al.*, 2006).

While informal care and help-giving might represent a foundation for emergent social enterprise, there are also challenges inherent in rural social life. Community solidarity does not necessarily produce the predominantly 'warm and friendly' situation assumed. Rural inhabitants might be suspicious and hesitant to contribute work to, and receive support from, formalised structures like social enterprises. Clients might demand professional help provided by health and care service workers – associating (wrongly perhaps) social enterprise provision with erosion of rural services. Connections between community members may encourage differential experiences of support (Munro and Carlisle, 1998). The changing composition of rural communities could result in marginalisation of some people or uneven distribution of help. Shucksmith *et al.* (1996) suggest that incomers tend to be on the margins of receiving informal community support. On the other hand, incomers are often enthusiastic to become involved in local community activities, including volunteering, to help them 'become rural'. It might be that incomers' desire to formalise control and standards is juxtaposed with indigenous people's personal orientation and informal methods of control. Although it has been suggested that incomers draw more on formal services while locals draw more on the informal economy (Shucksmith *et al.*, 1996), there is little empirical evidence of this dynamic in UK rural communities nor of how it might be manifested at this current time of major reform in service provision. Quite apart from challenges in giving and receiving services, rural social enterprises may experience organisational capacity issues. Research

highlights: limited access to best talent, capable staff and volunteers; access to fewer financial and information resources; scarce unrestricted funding and inherent strategic rigidities, which hinder rural organisations' ability to mobilise and deploy resources (Osborne *et al.*, 2002).

So, extant research evidence and policy highlights interesting issues. On one hand, rural locations might be perceived to offer the ideal location for establishing and operating social enterprise. Conversely, there are a number of reasons why rural areas might prove difficult for nurturing service provision through social enterprise. Rural areas are often perceived as deprived of resources, harsh locations, adverse and antagonistic to external factors and do present 'distinctive challenges' (Fyfe and Milligan, 2001). There is a tacit understanding that people in rural areas will help each other out and the perception amongst policymakers is that this is something that can be harnessed and formalised. However, this perception may well be unrealistic as it seems to go against the informal nature of providing help and support. The likely development process and success of rural social enterprise would therefore seem hard to predict.

4 Methodology

4.1 The context

This study examines promoters and barriers for emerging social enterprises in remote and rural areas of the Highlands of Scotland. This is due to the location and interests of the researchers (two rural health care researchers at the UHI Millennium Institute and the other who has previously studied entrepreneurship in North Scotland) and the study funding from Highlands and Islands Enterprise (HIE). The area has a population of 373 000, covers 39 050 square kilometres and is one of the most sparsely populated areas of the European Union (Highlands and Islands Enterprise, 2001).

4.2 Sample and research techniques

As there is little research on rural social enterprise, and social enterprise in health and social care is generally only in its conception phase, an exploratory, qualitative approach to data collection was adopted. It was considered important to gain a range of views and perspectives from different stakeholders and, as there was no accessible sampling frame, snowball sampling was deployed. This kind of sampling is especially useful when the desired population is ambiguous, multifaceted or elusive (Bryman, 2001). Thirty individual face-to-face interviews were conducted with: four social entrepreneurs; six employees of social enterprises, five volunteers and five managers at social enterprises and voluntary organisations; five health and social care professionals; two councillors and three politicians.

Semi-structured interviews were the most appropriate data collection method as they allowed focused discussion around each interviewee's perspective, with the opportunity for clarification (for example, some interviewees asked about the study's definition of social enterprise). Interviews lasted 40–60 minutes and were recorded, with consent.

4.3 *Data analysis*

Interviews were transcribed. Qualitative analysis was mainly inductive although data was also compared against a framework of factors associated with the themes developed from the literature. Following procedures for inductive qualitative analysis, all transcripts were initially read by Researcher2 and samples were also, independently, read by Researcher1 and Researcher3. Emerging themes were discussed and consensus reached on an initial coding schedule. This was used as a basis for systematic analysis of transcripts using NVivo qualitative data analysis software. Further iterations of analysis using NVivo occurred following feedback on initial coding.

4.4 *Findings*

The following aspect of this paper summarises (a) the promoters and barriers to rural social enterprise that emerged from data; and (b) issues relating to the development of social enterprise in health and social care. While some issues that emerge clearly have a particular rural resonance, some of the issues are likely to be experienced across the whole of the Scottish social economy.

5 Promoters of rural social enterprise

5.1 *A trendy topic*

Some interviewees thought social enterprise had emerged from a period of uncertainty and had reached its 'tipping point' as a concept that would diffuse and grow:

"it's a good idea...a good trend in the Highlands. It seems to be the buzz thing and everybody seems to be trying to form some kind of social enterprise group." I17; "all these things are very kind of trendy at the moment." I7; "you have a huge number of people in the social economy or third sector who are moving towards this approach...our doors are open to anybody who wants to be more business like for a social purpose." I18

These comments suggest that if social enterprise is perceived to be merely a trend then this might threaten the longer term sustainability of the sector. However, what is also interesting is who is driving social enterprise. The literature suggests that the current vogue for social enterprise has been driven by the UK government but comments from our respondents do not necessarily reflect this. There are indications that Scottish/local politicians may even be unsure themselves: "I think there's nervousness about it [social enterprise]. But I think they [politicians] now feel it's such a strong wave that they've got to go along with it" I20.

5.2 *A socially-oriented culture*

Perhaps not surprisingly, given the sector and area we were interviewing about, several interviewees noted that the concept of social enterprise was resonant with Scottish culture, perceived to have an inherent strong sense of community and solidarity:

“in Scotland people have got a very strong sense of community and social justice which is great. There’s a strong sense of community and social value.” I17; “I think in Scotland there are lots of people who actually are really drawn to this...they are people that want to do something for themselves and their community and they’ve got very strong motivation...there’s a bottom up, very strong feeling in Scotland about doing this.” I6

Comments from our respondents support literature about the cultural and attitudinal effects of rurality in Scotland (see Shucksmith *et al.*, 1996). It also appears there is potential to draw on extant aspects of community and social justice to further develop the sector.

5.3 Resources

A further finding is that infrastructure and climate for attracting volunteers is positive in the Highlands. In addition, there is considerable networking between organisations in the social economy, meaning that knowledge and information can be spread and shared. Relationships between organisations make staff and volunteers feel they are in a network of support:

“We’ve actually, as an organisation, haven’t ever really had any problem with that. I mean some of the volunteers we’ve had have been volunteering with us for five years. We’ve a very high retention... We haven’t had any problems ... people kind of come forward naturally and identify themselves as the people who want to take the lead.” I9; “a few people that are doing the same thing is really good...you don’t feel so isolated. You don’t feel so much on your own.” I14; “We can all work together as well, and support each other if we’ve got a problem.” I22

These comments reflect a sense of the third sector as a community in itself with people who are willing and used to working together. This may be related to the nature of peripheral locations where distance from core means people have to pool resources, particularly where limited. Alternatively, this may reflect a feature of the social economy where sharing of resources is more common than for other forms of enterprise.

5.4 A culture of self-help

Some interviewees thought social enterprise resonated well with rural people’s tendency to problem-solving and helping themselves. Service availability in remote areas tends to be less adequate than in urban areas. Although this is not itself positive, it was thought to engender rural attitudes of independence, willingness to work together and an active response to challenge:

“I think it can grow in this kind of area.... People understand you can’t separate out social needs and the economy and services. Everything has to come together because communities are so small. And to be more self reliant, people are willing to take on initiative whereas sometimes in the bigger cities like Glasgow, people expect things just to be given to them...in the Highlands & Islands, people know that they have to fend for themselves a bit more.” I17; “rural areas generally tend to have more community voluntary groups because otherwise nothing would happen. It’s the only way to make things happen...if you want something done you’ve got to help yourself to do it. So that attitude is more prevalent, in remoter areas. It’s self help, communities getting together and so that’s an advantage in that there is that kind of ethos.” I4

So, while rural areas might be perceived as lacking resources, respondents indicated this is advantageous rather than limiting, people are used to and willing to help each other out.

6 Barriers to rural social enterprise

On the other hand, a number of barriers to development can be identified. These centre on notions of lack of knowledge, finding finance, fear of change and ambiguity of policy direction and are demonstrated and described here.

6.1 Lack of knowledge

Familiarity with the concept appears to be a significant problem in developing social enterprise. Most interviewees had notions about what comprised the social economy and social enterprise; however, different explanations and understandings were portrayed and all interviewees said they thought there was ambiguity regarding the term:

“Well, I take a broad definition because otherwise people would be excluded.... Very basically social purpose is the driver and the business approach is the vehicle. That’s my definition. I think it’s an umbrella term. Not everybody identifies with it.... So you have all this problem that people don’t identify with it.” I18; “maybe I need to know a little bit, I mean, well you explain to me, what is social enterprise?” I13

These responses demonstrate that there is no clear definition, nor understanding, of what a social enterprise actually is. This reflects issues identified from the literature concerning definition. A concern is that because there is no common understanding social enterprise does become a ‘catch all’ term.

6.2 Finding finance

While there is evidence of confusion about social enterprise, those organisations providing set-up funding have no shortage of applications in the highlands. Indeed, it is noted that there had been more demand in the highlands than other areas for one scheme:

“So last year we had one grant.... specifically aimed at social enterprises... and we actually had too many applicants for the amount of money that we’ve got.” I24; “one of the key things was that you had to demonstrate how that investment, and it was seen as an investment rather than a grant, would move your organisation on in terms of financial sustainability. Not to 100% but help you make that shift. And some of them couldn’t demonstrate that. But the bulk of them could ... it was about moving towards that kind of more enterprise end of things. I mean it was just phenomenal interest... There was huge demand.” I23; “I think there’s always going to be a competition for funding, especially in somewhere like the Highlands.” I4

This demand is perhaps due to a contextual climate conducive to the social enterprise concept – or, more negatively, perhaps due to a lack of other potential funding sources.

6.3 *Fear of change*

Interviewees noted their own fear or suspicion of change and suggested it existed throughout those sectors related to social enterprise. Part of the issue is wariness that social enterprise is about taking away public services and forcing communities to do things themselves. There is also suspicion that social enterprise is a way of forcing charities to make money. Some interviewees suggested fear of enterprise and business ideas, considering them inappropriate for the social economy and for harnessing the work of community members and volunteers. Much of the challenge may arise from our 'snap-shooting' of what people think of social enterprise now. With hindsight, this may appear as a period of transition from an old voluntary sector, to a new enterprise, paradigm. Alternatively, if social enterprise does not 'catch-on', it will appear as just a passing fad:

"people are quite scared of social enterprise because it's about people taking responsibility.... They think there's going to be less of this kind of safe government control.... It's a kind of psychological thing." I7; "I have got mixed feelings about social enterprise and obviously one of them is that it's almost like the Scottish Executive saying that this is a way of making charities make money." I3; "there are a lot of people who really believe in supporting either a community or, a geographical community or a community of interest. But I don't think enough of them think of it in terms of enterprise...we're really struggling to shift the mindset from sort of charitable ground based organisations of which we have thousands and thousands, to a more entrepreneurial basis which is much more sustainable." I23; "I'm not sure that turning everything into a business is the right way to go.... You lose something doing that...the passion...the commitment. You want a lot of passionate people, but they don't need to necessarily be driven and stressed about what they're doing." I2

From our interviewees much of the uncertainty about social enterprise is related to hesitancy around whether it will become a more stable feature of the service provision environment.

Interestingly, only one interviewee linked resistance to change to the Highlands being culturally risk averse:

"I think it's a whole fear of change, it's about the change in approach and that scares a lot of people. I think the Highlands and Islands in particular are very traditional.... They're always harking back to the golden days.... Things change much slower up here than they do elsewhere, but it's a problem common across the country. So there's a fear of change. There's also the risk factor.... They're frightened of taking that role on because it is a whole quantum leap forward basically, it's a whole shift in approach. And I think it's been forced on organisations now because of the change in sort of grant climate and shortage of grant funding." I23

6.4 *Ambiguity of policy direction*

A number of interviewees thought there was a lack of clear direction from Scottish government. Policy was not as clearly in favour of social enterprise as in England and, although there was rhetoric, there was lack of strong leadership. This made people cautious to embrace social enterprise as a viable future prospect:

“It’s supported very strongly by Westminster government. At Scottish Executive there is no one person high up who thinks this is a good idea. They’re lukewarm about it, I would say...there’s a real problem in Scotland that it’s like a good and a bad thing.” I29; “A lot of politicians have come up because they’ve been politicians through local government and public services. So they believe in that really strongly and the trade unions want everything kept in the public sector. They don’t like it, us.” I18

Related to this political commitment issue is that of association between efficient government, local procurement and fostering of social enterprise. Statutory providers historically purchase from larger providers. This makes it both procedurally and culturally difficult to move to contracting with small, locally-focused organisations of different types. Interviewees noted policy guidance on ‘best value’ could be read in different ways. On one hand it suggests providers purchase from the best option financially; alternatively, it may be important to have a local provider who both taps into local needs and helps to support the local economy:

“Scottish Executive, on the one hand, is saying ‘Efficient government, blah blah’ and on the other hand it’s saying ‘You should be contracting social enterprises to deliver public service.’... There’s a huge conflict between those two things because social enterprise tends to be local and small and they don’t necessarily give you those efficiencies but they give you something else. Social enterprises fit with best value as long as organisations take the wider approach to what best value is.” I8; “I suppose there’s breaking into the public sector procurement process it’s a major barrier. And there’s a whole shift within public service delivery to greater efficiency and that tends to mean letting big contracts to one organisation and that work against social enterprises because they tend not to be big organisations.” I5

These comments demonstrate the nature of conflict and ambiguity that surrounds policy and its interpretation. They also suggest that policy should perhaps be directed more towards distinctive local community needs.

7 Barriers and promoters

Some, peculiarly rural issues, were presented as barriers by some and opportunities by others and these centred around market context and finding an appropriate niche.

7.1 Market context

Market context in remote and rural settings might present both opportunities and disadvantages. Small numbers of clients sparsely located deter commercial enterprise as well as presenting difficulties for public sector providers, leaving market gaps for needed services. Simultaneously, a small market means it is difficult to develop a viable business – even a social enterprise. Difficulties and costs of staff travel are problems social enterprises share with other types of provider:

“in some ways it might be easier to set one up in a rural area because there isn’t so much competition.... You can easily find things that are missing ... whereas somewhere else you’d be competing for trade with other businesses.... It would be harder.” I11; “in a rural area it might be easier because there aren’t so many other resources....so anything that you set up, people will support, people are

grateful for having a new shop or something else open that is a service for them or whatever. Whereas in the city, they have more choice, there's a lot more going on, isn't there." I7

However, for other respondents there were concerns about market size and long-term sustainability of business in rural areas compared to more urban locations: "I don't think that in rural communities the market is big enough to sustain the business. I mean you get customers but still, you know, it's not enough, you don't get that critical mass as in large cities" I27. Others identified issues concerning impact of factors often associated with rural areas, particularly transport and cost of travel and illustrated that this impacted on business costs: "transport and travel is obviously a problem. Getting people there to work is going to be more expensive so you have to try and give people higher wages to cover transport costs" I19. In summary, findings indicate that while, for some, rural location seems to offer distinct advantages, others viewed this as a constraint.

7.2 Finding your place

Some interviewees noted that setting up an enterprise in a rural area is difficult as entrepreneurs have to be careful to avoid affecting neighbouring businesses. On the other hand, once an idea is found, entrepreneurs could find themselves embedded in a supportive social and economic context:

"So, my thinking was, well let's set up something specifically for people and set up our own business and if we can find a business that doesn't encroach on anybody else's business, because everybody's got to make a living, and there's lots and lots of small businesses with just one or two or three employees, so people are trying very hard to make a living. So I didn't want to upset that and I didn't want to displace other businesses. So you have to think of something new." I25; "[people think that] they're going to be taking business, because they're subsidised, they're going to be taking our trade. So you have to find a niche market.... Something that is unique, something special, doesn't detract from anybody else. And if you do that and then you talk to people, you talk to the right people in the community, movers and shakers in the community, and get them on your side. Get the business community on your side as well, because they can sponsor you. It's good for them, it's good for you.... You can get good business advice from them as well." I22

These findings reflect and link with earlier comments about resources and that a particular characteristic of the rural location studied here is willingness of individuals to help each other out, even in terms of selecting a market area to fill with a new enterprise.

7.3 Social enterprise providing health and care services

When asked to consider social enterprise for health and care services in rural areas, several interviewees were lukewarm about the prospect or found it hard to imagine. Further noting that statutory providers face increasing challenges in providing services to remote and rural areas, respondents did highlight three themes that could usefully be addressed: maintaining well-being of community members, particularly older people – perhaps through good neighbour schemes and support for self-management of chronic illness; safety and security – that is providing a first local point of contact in an emergency situation (especially for minor issues); making services personal:

“Obviously critical kind of stuff has to be done at hospitals and surgery, but there’s whole sort of things connected with well being, that prevent people becoming ill. If we could have more services which promoted well-being.... That seems to me, to be much better suited to a social enterprise model rather than still you go into a doctor’s surgery and it feels so old fashioned and you have to wait and you’re there with people coughing and spluttering and you’re just in and out and there’s nothing personal.” I11; “I think people recognise that there aren’t enough critical services nearby people.... People need to feel safe around their health and their care services.” I24; “we’ve got a different expectation of what health and care services should be like. We want them to be more personal services and we don’t want them just to be done to us, any more. It’s about co-production of services.” I21

Two main barriers to these innovations were identified, both of which relate to insecurity of current public sector employees. It was suggested there was professional reluctance to accept services could be provided differently and also personnel were protective of their employment and associated rights:

“patient support groups fit in somewhere between the patient support group and the clinicians. Now there’s obviously a bit of antagonism because the clinicians are a bit concerned about lay people offering advice to patients. So they find that a bit difficult so we’re kind of getting round them.” I16 “There are problems because if you’re part of the NHS or local government or any of these statutory sort of organisations then there are various employment rights that kick in that might not kick in elsewhere, like equal pay.... It gets more difficult for the smaller organisation.” I24

Statutory sector personnel have many rights and expectations around employment built up over decades and it might be expected to take some time for new organisational models with different types of employees to find their place in a mixed market of service provision.

8 Discussion

This study highlights promoters of social enterprise in the Scottish Highlands include perceived ‘trendiness’, a receptive culture and access to volunteers and networks. Barriers identified include conceptual ambiguity, lack of definite political leadership, poor access to sources of finance and fear of change. Some of these factors might apply generically to social enterprise in Scotland, or indeed the UK, at this point in time. Aspects of rural context were noted as being simultaneously opportunities and threats; specifically, market context and embedded nature of business relations, the latter implying that, if a niche can be found, an enterprise might meet with considerable supportive resources.

In accord with previous research, evidence of a strong ethos of solidarity was found, with examples given of high engagement in informal and formal help-giving. Our study shows that empowerment is really occurring from within communities but that this needs to be more widely recognised. Empowerment suggests a climate conducive to activities with a social mission and tending towards self-support. Problems of providing and receiving services to and from neighbours were not cited as potential challenges. However, this may reflect the target interviewees who were more engaged in business

development and management levels of the social economy. The only issues of rural embeddedness that did arise related to the development of a unique business idea that did not threaten neighbouring businesses.

Findings support previous suggestions that social enterprise might have a particular niche in the rural context. Thus, it may be that rural areas would benefit from specific and targeted social enterprise policy initiatives that would help address service deficits. The evidence suggests flourishing rural social enterprise needs to be underpinned by procurement guidance that clarifies the priority of different types of 'best value' and encourages commissioning from small local enterprises. Specifically rural sources of finance and advice may be required. A sense of confidence that developing rural social enterprise is a 'good thing' needs to be engendered. Rural residents need assurance that social enterprise is not simply a 'cop-out' from good public service provision. While opportunities in health and social care were identified, ideas were not well developed and the whole environment for nurturing social enterprise may have to be more welcoming before difficult areas such as this are fully exploited. Indeed, professional barriers were a significant factor likely to present resistance.

Generic issues were raised. Further development of social enterprise in Scotland would seem to require firm policy direction. This may be helped by the recent publication of the Social Enterprise Strategy (Scottish Executive, 2007) – although since this time, Scotland has experienced a change of government. If policymakers can provide leadership; then, information and knowledge requires to be spread – perhaps highlighting key structural forms that social enterprise might take so that potential social entrepreneurs can access a more tangible conception of what a social enterprise 'looks like'. Knowledge requires diffusion not just within the social economy, but within the potential funding community. (When we contacted banks, local managers in the Highlands had no idea what a social enterprise was!).

9 Conclusion

For policymakers and researchers this study raises interesting issues. Although social enterprise research is very much in vogue, our understanding of how these ventures operate and function within rural areas is limited. This paper has drawn on extant research and opinion in the field of rural social enterprise and presents data from 30 rural social enterprise stakeholder interviews. While close-knit, cooperative rural communities might be regarded as having the social capital to foster the development of community social enterprise, lack of policy direction, ambiguity and poor supportive structures may hinder prospective social entrepreneurs. It would be useful if future work considered these aspects and those of community nursing and social care staff. Those involved might be most likely to identify opportunities for social enterprise development in health and social care. Furthermore, evidence from sectoral and regional scoping studies provides information on the size and importance of the social economy and its contribution to the UK. In an age of diminishing grant availability and a changing public sector, social enterprises have an increasingly significant role to play in the communities they serve. Therefore there is a need to develop standard definitions, methodologies and practices to enable local, regional and national studies being carried out to generate data that can be easily compared or benchmarked (DTI, 2002).

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