

SOCIAL ECONOMY POLICIES IN RURAL LOCAL ENTERPRISE PARTNERSHIPS

This work is an integral part of the research 'Economic Performance in Rural Systems: Social Collision Theory and Its Application to Rural Food Hubs', funded from the National Innovation Centre for Rural Enterprise's call for research and innovation. A questionnaire survey was undertaken of all 'rural' LEPs (those that included parts or all of shire counties) to explore the extent to which and the way in which their Industrial Growth Strategies accommodated the precepts of the social (distinct from the growth) economy. This was followed up by web site studies and an examination of the Strategies themselves.

University of Lincoln research has found:

- ➔ 70% of rural LEPs feel that they embrace social economy precepts explicitly particularly in relation to sustainability goals, inclusive growth and zero carbon.
- ➔ York and North Yorkshire LEP is committed to becoming the first Circular Economy Region in England.
- ➔ Cornwall and the Isles of Scilly LEP has introduced Social Enterprise Zones, to embrace community and environmental objectives as well as create employment.

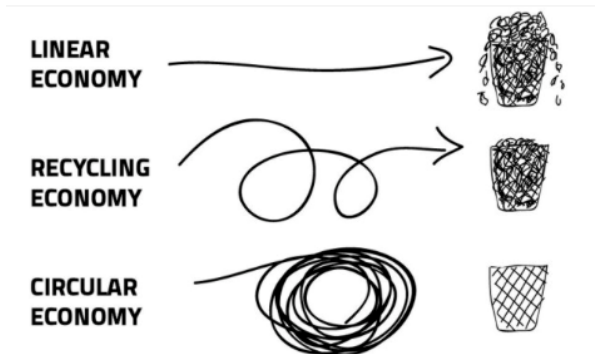


Photo credit: York and North Yorkshire Local Enterprise Partnership,
<https://www.businessinspiredgrowth.com/circular-yorkshire/>

SOCIAL
ENTERPRISE

ZONE

Certified Member of Social Enterprise UK

Business where
 society profits

Many social enterprises and voluntary and community organisations work outside of a clear policy context. This is despite European-level and national policies and exhortations to develop social economies particularly in rural areas where market (growth) economies tend to be less successful because of isolation and lower population densities.

This research was to explore the extent to which such social economy policies were being developed at the local level, that might actively support social economy organisations.

Tensions can arise where LEPs provide clear encouragement to the social economy in rural areas for developing non-market goals in relation to climate change, the environment, and social goals, but where the majority of funding is still allocated to growth and productivity projects

Photo credit: Community Energy Plus
<https://www.cep.org.uk/a-new-era-for-business-as-cornwall-is-recognised-as-a-social-enterprise-zone/>

LEPs in the rural economy

This project is part of a larger programme of research to explore various aspects of the development of the social economy in English rural areas. There are tensions between measuring rural economic performance through conventional 'balanced' Gross Value Added (GVA) (the current Government method) and 'softer' measures that accommodate environmental and social factors as well as the economy.

Whilst LEPs are embracing these softer measures, a Whitehall review of LEPs has been instigated in 2021 following reports of their 'underperformance'. As a result, LEPs are likely to be required to place renewed emphasis on GVA growth, become more business led and use cities as growth engines. Their growth strategies are to be side-lined and their monitoring abandoned.

They are also to lose control of development funding: they were, but are no longer, to administer the Shared Prosperity Fund and the Levelling-up fund. Their main funding is now likely to come through adopting a membership organisation model. This could threaten their very existence: the Marches LEP (Herefordshire, Shropshire and Telford and Wrekin) had been pencilled in for dissolution for September 2021

Facts and figures about the context and/or research.

There are 31 Local Enterprise Councils in England with jurisdiction over rural areas.

70% of these have explicit policies in their actual or putative Industrial Growth Strategies.

Inclusive growth policies are the most common and these embrace wealth redistribution, reducing educational disparities, developing a sense of place and social cohesion.

For a number of LEPS, voluntary and community groups and the retired population are seen as important assets for stimulating the rural economy.

York and North Yorkshire LEP is leading on the circular economy to move from a 'take – make – dispose' economy to one concerned to eliminate waste and the increasing use of (in particular) non-renewable resources

A number of LEPS are affiliating with Social Enterprise UK for training and development.

IMPACT ON POLICY

The latest global impacts of climate change, considered anew in the UN Climate Change Conference in Glasgow in November 2021, reveal the increasing intensity of floods and droughts, of hurricanes and cyclones, and of wildfires and heatwaves, across the globe. Much of this has been attributed to economic growth as it uses up finite resources, creating damaging impacts as it goes (and also exacerbating wealth inequalities). At the local level, social economy principles can seek to address these negative externalities, by internalising them into economic systems.

This research provides important information about how local economy policy agents are taking up this challenge. There are clear conflicts, however, at both the national and local level, at promulgating policies to address these issues whilst at the same time pursuing policies of economic growth.

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Policy briefing #012

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