What makes Rural Enterprise Hubs and Coworking Spaces different to their urban equivalents?

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Enterprise hubs, coworking spaces, science parks and incubators are all physical infrastructures designed to support and grow their tenant businesses through additional services above and beyond typical workspaces, such as networking groups, business support, mentoring, seminars and knowledge exchange with fellow tenants. Once exclusively an urban phenomenon, the spread of enterprise hubs and coworking spaces into rural areas has been witnessed (Bosworth & Salemink, 2022). In many countries, this trend is expected to have rapidly accelerated due to the COVID-19 pandemic, which saw a sudden rise in remote and homeworking. Some people moved from cramped urban environments to

more spacious rural settings, whilst others who had previously commuted to urban centres realised this was unnecessary and remained home working in rural areas.

Are rural hubs different to their urban equivalent? Do rural areas' characteristics, communities, and economies affect the hub's managerial practices or models?

My research on rural hubs in the northeast of England indicates differences, which will be explored in this article. I will reflect on recent publications from my PhD thesis on rural enterprise hubs (Merrell, 2019). The research involved 53 interviews with tenants and hub managers of eight hubs with different ownerships (public, private, and third sector) and geographies (some closer to urban areas, whilst some highly remote). Firstly, rural hubs tend to be smaller than their urban equivalents. In my case studies, the smallest hub served a remote rural community with six tenants. The largest, however, was comparable to urban hubs with roughly 40 tenants.

Many hubs and clusters in urban areas have a specific sectoral focus. This is seen in the agglomeration and clustering literature as advantageous, as economies of scale can be achieved, supply chains are shortened, and workers have related and interchangeable skills and expertise. However, rural economies have fewer businesses, and (outside of traditional land-based sectors) these are often diverse. This results in a heterogeneous mix of tenants who operate in many different sectors (Merrell et al., 2021b). This makes targeted business support and training harder to provide and results in relatively low cognitive proximity, as businesses share little sector-specific technical information (Merrell et al., 2021b). On the other hand, it opens additional opportunities for innovations and growth linked to unrelated variety (Frenken et al., 2007). Additionally, tenants still exchanged 'entrepreneurial knowledge', which is more generic and is concerned with how to operate a small entrepreneurial business.

Rural areas have higher proportions of micro-businesses, many of which are sole traders. Therefore, business owners are expected to have a wide range of knowledge around the many aspects of business that would typically be departmentalised in larger businesses (i.e., HR, finances, marketing). Entering the hub gave tenants access to other businesses' skills and services, allowing them more time to focus on their core activities (Merrell et al., 2022). This is a

greater emphasis on organisational proximity (Klimas, 2020) than seen in urban hubs literature which typically underplays the importance of this form of proximity.

Many rural businesses face no option but to work from home due to a lack of available workspaces in rural areas and long commutes to city-centre locations. This leaves them isolated regarding social isolation and lacking clients and collaborators (Kelly et al., 2019). Rural enterprise hubs can give isolated businesses access to business contacts (their fellow tenants and networking group members) and a community to form social ties. This increases tenant well-being through feelings of relatedness (to a community) and autonomy (Merrell et al., 2021a). Tenants also felt a 'communion with nature' whereby they found themselves more productive, less stressed, and more in touch with their surroundings which has not been raised in the urban literature (Merrell et al., 2021a).

Hubs managed by the third sector are more common in rural areas, as there is a lack of appetite from the private sector, who could instead choose more lucrative urban markets (Merrell, 2019). This invites new challenges around staffing and management (some of whom are volunteers) and securing funding. However, these spaces are vital for their communities and tenants. Many of these hubs are a base for providing other community services, such as library services and information and communications technology (Rundel et al., 2020), cafes and social spaces, drop-in services (e.g., Citizens Advice, health clinics, business support), tourist information and childcare services which appear more pronounced in rural areas.

As mentioned earlier, rural businesses often lack customers due to their isolated locations. One strategy managers take to become a 'honey pot' hub that encourages members of the public onto the site to buy goods and services directly from b-2-c tenants (Merrell et al., 2021b). These are often connected to tourism, heritage sites, and house tenants from the arts and crafts sectors. Recently, many 'creative microclusters' lay outside urban areas (Velez et al., 2022), which appear highly important for rural development – honey pot hubs are prime examples.

Overall, enterprise hubs remain crucial to rural development despite having heterogenous tenant bases that (according to the literature) will not benefit from clustering. They provide communities of like-minded businesses to exchange

knowledge, socialise with and form collaborations. They sometimes offer additional community services and spaces to nearby residents and can foster the growth of the creative sector in these places.

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