Rural coworking: "It's becoming contagious"

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The Covid-19 pandemic has sparked many questions about the future of work and employment with increasing rates of remote working expected to persist. The possibility that commuters will spend less time in city centres, has led many industry experts to predict new growth in rural coworking. In this article, we draw on interviews with 15 coworking operators to examine the new

opportunities that coworking offers to integrate rural entrepreneurs and commuters in their communities and potentially to renegotiate interdependencies between urban and rural regions.

Coworking Spaces are managed facilities that offer shared workspaces, meeting rooms and communal facilities that have been particularly attractive to small start-up businesses, creative industries, freelancers and solo consultancies (Füzi, 2015). The essential values of coworking include a better work-life balance, reduced commuting and network opportunities to support collaboration and overcome isolation (Spinuzzi, 2012). Although co-working has traditionally been an urban phenomenon, drawing on the "buzz" of city-centre locations, a number of initiatives had been emerging in smaller towns and rural areas prior to the pandemic.

During the pandemic, the representative organisation of flexible workspace providers, FlexSA (UK), reported that occupancy rates held up more outside of the big cities. Supporting this, our research identified continuing growth in rural co-working with examples including a Spanish retreat for digital nomads opening a second venue in Portugal, a capital-city based coworking enterprise relocating to the countryside and regional organisations increasing their numbers of venues in smaller towns in South West England and Wales. This growth extended to the most remote parts of the UK too as one coworking manager explained, *"People are seeing the islands as a bit of a safe haven, somewhere that they can come to escape some of the ravages"*.

While the future may be promising, the unfortunate irony is that several coworking spaces have had to close as a result of the pandemic. The costs of meeting health and safety requirements, the loss of events-based income and reduced demand from occasional users have all conspired to reduce profitability. The majority of established venues were permitted to stay open throughout lockdowns as they were home to a variety of essential businesses. However, we found that many informal and community-based groups suspended their in-person activities, switching instead to online meetings, social media and events. In one case, this digital shift drove staff recruitment as it accelerated plans for increased online activities, including online memberships for coworkers.

Changing dynamics of rural coworking

As the future of work in our cities remains unpredictable and coworking grows in rural areas, a legacy of the Covid-19 pandemic may see stronger networks among rural businesses. A key finding from our interviews was that rural coworking operators were committed to supporting their local communities. A New Zealand example explicitly recognised their role as one of connecting rural people into wider knowledge networks: *"The decision to start a rural hub really came from part of our purpose which is to improve the connections between rural and urban entrepreneurs to see some of their learning spread a little bit further than just within the city"*. For others it was more about goodwill in the local area as evidenced by quotations such as: *"We actively try and do stuff outside of our four walls … it's a big part of what we do"* and *"We wanted to create something that was useful for people in maybe the local community, maybe the slightly wider community as well."*

In addition to these examples where the values of coworking were educational and social, others focused on activities directly targeting the local business community. One explained *"We opened up the Hub Café to people and businesses from outside, to come in and network with the people that were in the hub already"*, while others explained how they support members to collaborate on projects. The Covid-19 pandemic has constrained coworking venues from providing workshops and training events in the short term but, as these grow again, we see considerable opportunities for new network connections and relationships to emerge within rural spaces. In reversing some of the traditional barriers that rural SMEs have cited in terms of access to formal networks (Müller and Korsgaard, 2018).

Whilst a lot of the developments in rural coworking have been incremental in nature, the research has identified a new start-up in South East England which was making a considerable investment in the sector seeking to capitalise on the "ex-commuter" or "part-time commuter" market segments. This shift in focus towards homeworkers rather than freelancers opens up new opportunities for rural coworking to tap into a corporate client base where companies may rent space for their employees. It also has implications for the relationships between urban and rural economies. Co-locating professional employees and rural freelancers bridges networks that were previously highly impervious. As an example, one of the research team sat between a freelance designer and an employee of Coca-Cola in a rural coworking venue while across the table there

was a legal consultant who worked with numerous larger firms in London and a freelancer offering digital Personal Assisant services. The new opportunities very quickly become apparent and it is not surprising that the corporate sector is starting to take notice.

The new dynamics in affluent commuter areas may vary somewhat from more remote locations. Here, smaller, community-led initiatives are likely to grow but operators are likely to continue to combine the coworking venue with other income streams to compensate for the lack of local demand. Examples of complementary activities identified during the study included an environmental consultancy, specialist start-up support for social enterprise, venue hire for social and educational activities and cafés and small retail space open to the wider community. These different co-working models could lead to an increased divide between "accessible" and "remote" rural areas in terms of the infrastructure for flexible working, but some of our research participants think it could lead to a "hub and spoke" model where peripheral coworking hubs form partnerships with larger ones in more accessible and larger places. This would enhance access to knowledge-rich networks for rural enterprises and further support the notion that rural places really can be at the heart of innovation and entrepreneurship as global economies face up to the economic legacy of Covid-19.

Beyond community-level initiatives, there has also been a growth in venues targeting global travellers and digital nomads. These can only benefit from increased familiarity with coworking practices and further growth in this sector could have a deeper impact on the relationship between work and leisure. Venues seeking to attract digital nomads to stay for a few weeks at a time were acutely aware of the value that they generate for the local area. One commented, *"It's bringing people here, has a pretty big impact so I estimate that for the local business every year we generate about €1.2 million for accommodation, for food, for transportation, for stuff that people buy here."* Another also noted that they had effectively saved the village from depopulation and helped improve the lives of local residents who *"don't need the money. They are retired. They have gardens, they need conversations. So we involved them in our events"*.

Concluding remarks

The growth of rural coworking will enhance access to networks for rural freelancers and has the potential to diffuse the centrifugal forces of "buzz" and

"agglomeration" away from city centre locations. The evolution of new business models for rural and small-town co-working centres will include corporate models targeting the most lucrative commuter-zones, public sector models seeking to promote entrepreneurship and community-led models with multiple goals. At the extreme, coworking retreats offer a new dimension for growth that extends across international boundaries too. Based on a combination of digital connectivity and local interactions, the growth of rural coworking encapsulates calls for "smart rural development" that emphasise processes of both social and technological change (Slee 2019), founded on knowledge and innovation and supported by advances in communications technology (Naldi et al., 2015). As one of the participants in our workshop observed, coworking initiatives can raise the external profile of a place but the local community is key. In her words, once you get people involved "it becomes contagious".

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