

Case study 1: Western Isles: opportunities for work and enterprise; knowledge work and call centres (Scotland, UK) - 1998

Since 1996 the Western Isles has seen a very successful rural employment initiative go from strength to strength. This consists of three main types of new employment opportunities:

1. teleworking from home in rural areas by self-employed individuals, although the work is managed by *Lasair Ltd.* responsible for administration, quality control, training and marketing
2. jobs in new start up companies (such as CD-ROM, multi-media, broadcasting and film production, webmastering, etc.)
3. Internet support jobs in the call centre set up by inward investment from a major international company

All this has increased the demand for better telecommunications infrastructure which will provide additional capacity for further high-tech activity. The LEADER group acts as a risk capital investor in partnership with the local economic development agency and the local authority. In some cases, very rapid decision making is required in order to accommodate opportunities which develop more quickly than in traditional sectors. The span of IT-related activities is extensive. It is impossible to separate technologies by sector of activity: in order to create economies of scale, the same workstation will be used for distance learning, tele-shopping or teleworking. IT equipment is set up in order to maximise its efficiency at the local level. Before the end of 1998, more than 200 new jobs will have been created in all, with a further 70 expected in the call centre now being established.

The Western Isles now has a well-established reputation for excellence in the provision of tele-services for major organisations and corporate companies in the UK and the US. It could be seen as the “knowledge crafting area” in the newly emerging network society with hi-tech jobs servicing different sectors of the economy. Overall, three main factors have contributed to the development of a cascade of initiatives: the mainspring of the LEADER partnership, the existence of a well educated, highly qualified population, and an organisational culture based on a long established tradition of pluri-activity inherited from the crofting way of life.

The large span of activities means that the financing arrangements are relatively complex. Some figures can be indicated for some products and services, but these do not take into account the physical telecom investments nor private capital:

- Skills development and specialised training: 340,000 ECU over 6 years (1995-2001)
- Data processing and data survey: LEADER funding provided training to approximately 60 persons at an average cost of 215 ECU (total: 12,900 ECU)
- Web authoring and mastering: LEADER grant of 43,000 ECU for 2 years.
- Distance learning centre: 60,000 ECU (for which LEADER provides 40%)
- Call centre: 2,000,000 ECU (mainly Objective 1 regional funding).

The main conclusions from the Western Isles case are that:

- there are many potential new job opportunities which can be realised and it is important to go for as high value added as possible in relation to the skills of the labour force
- central marketing and a skills register has been crucial
- having enough “work in progress” is the main on-going marketing challenge
- distance from the main markets is no longer a barrier.