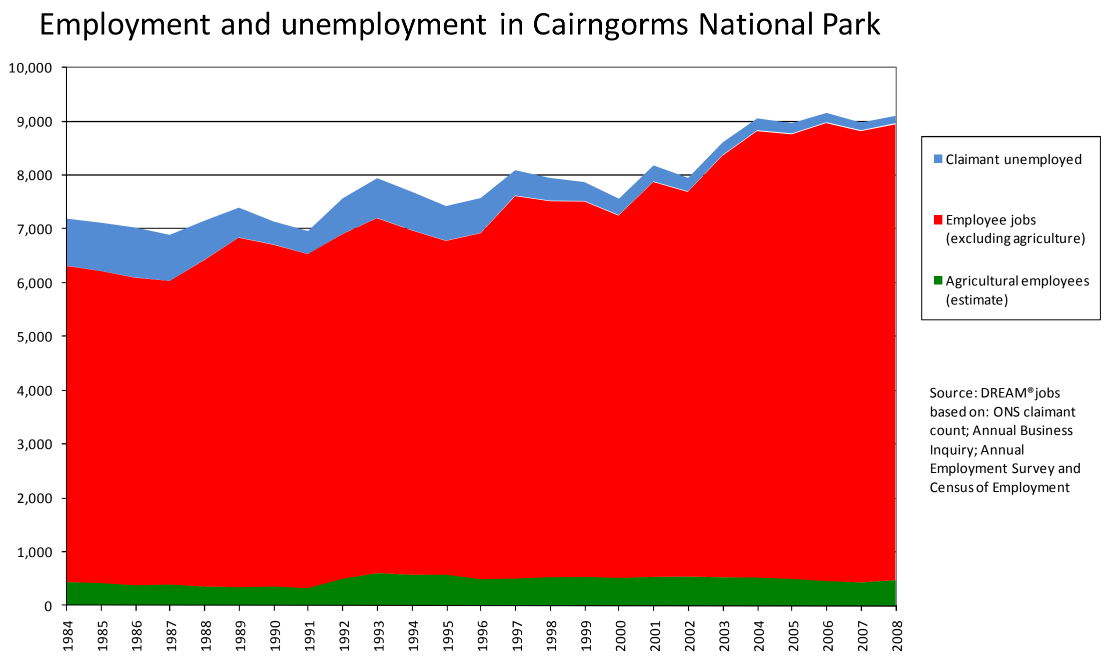
# 5 Work in the Park

Ballater golf course

This chapter and the following one provide an overview of the employment and unemployment conditions in the Cairngorms National Park. In all there are about 11,500 people economically active in the Park.

The available official statistics suggest that a gradual rise in the number of employees in the Park over the past 25 years was followed by a quickening in the early years of the new millennium[3], and then stability in recent years (see Figure 23). There are now just under 9,000 employees working in the Park.

**Figure 23 Employment and unemployment**

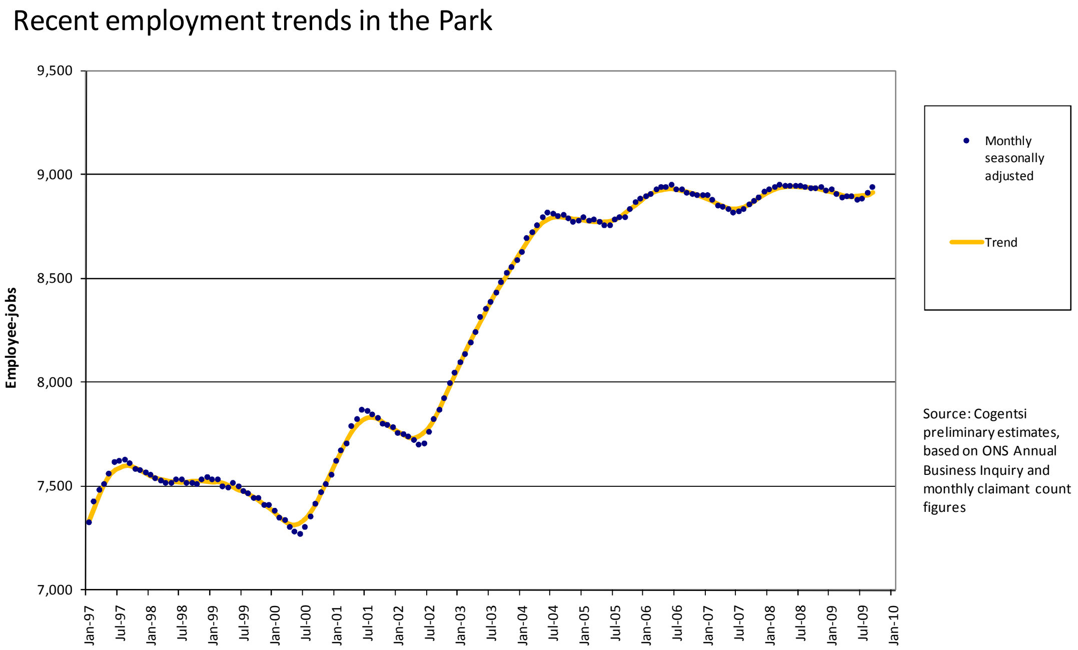



The chart does not show self employment which, apart from agriculture, cannot be reliably tracked over time for small areas. Updating from the 2001 Census of Population in line with national trends, we estimate there are about 2,000 self-employed people in the Park, including 520 who are farmers and members of their families working on the farm. There are about 350 full time students not counted as employed or self-employed.

Monthly estimates show the most concerted rise in employee numbers within the Park in recent years occurred between early 2002 and mid 2004 (see Figure 24). It is, however, important to note that these are estimates only.

[3] There is a marked increase in employees in employment between 2002 and 2004. Part of this is, we believe, a result of increased recruitment of Central European nationals to the hospitality industries (from the European Union's new Accession countries). Other Scottish regions with a large tourism sector have also show an influx of young workers from this source. The influx locally may have been significantly supplemented by the reopening of the MacDonald Highland Resort in Aviemore.

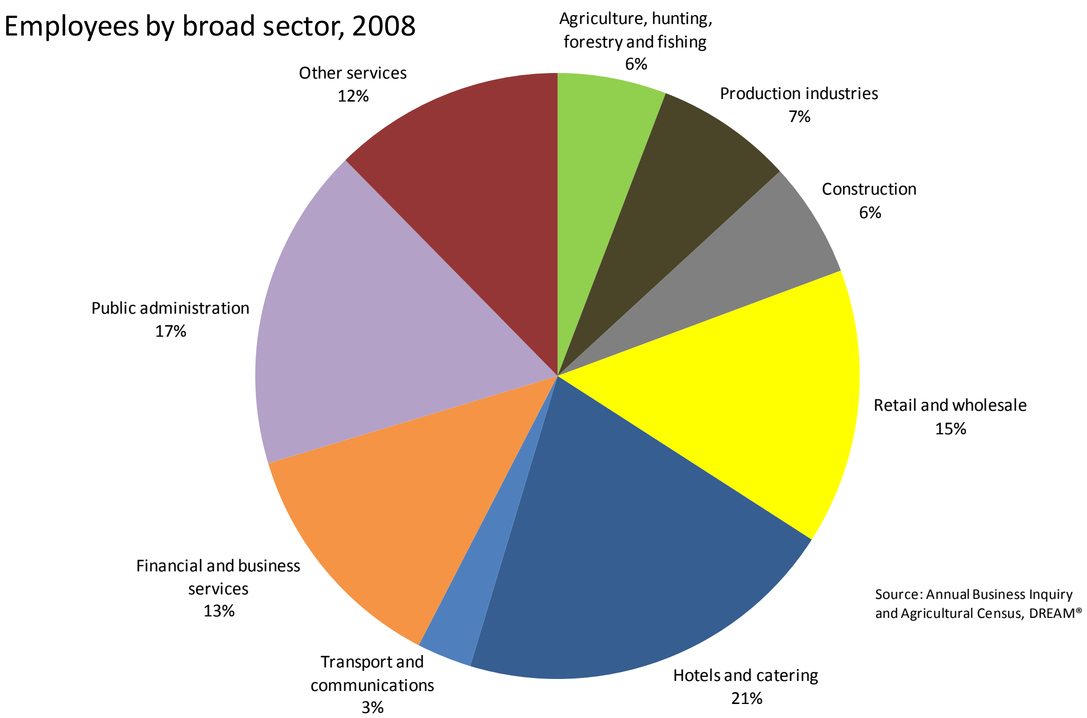
**Figure 24 Estimated monthly employment**




## 5.1 Employee jobs

The main data source for the number of employees in a region is the Annual Business Inquiry, which is a census of large employers and a sample survey of small employers. The latest results available for the Cairngorms National Park, relating to the 2008 survey, are shown in Figure 25[4].

**Figure 25 Employees by sector**

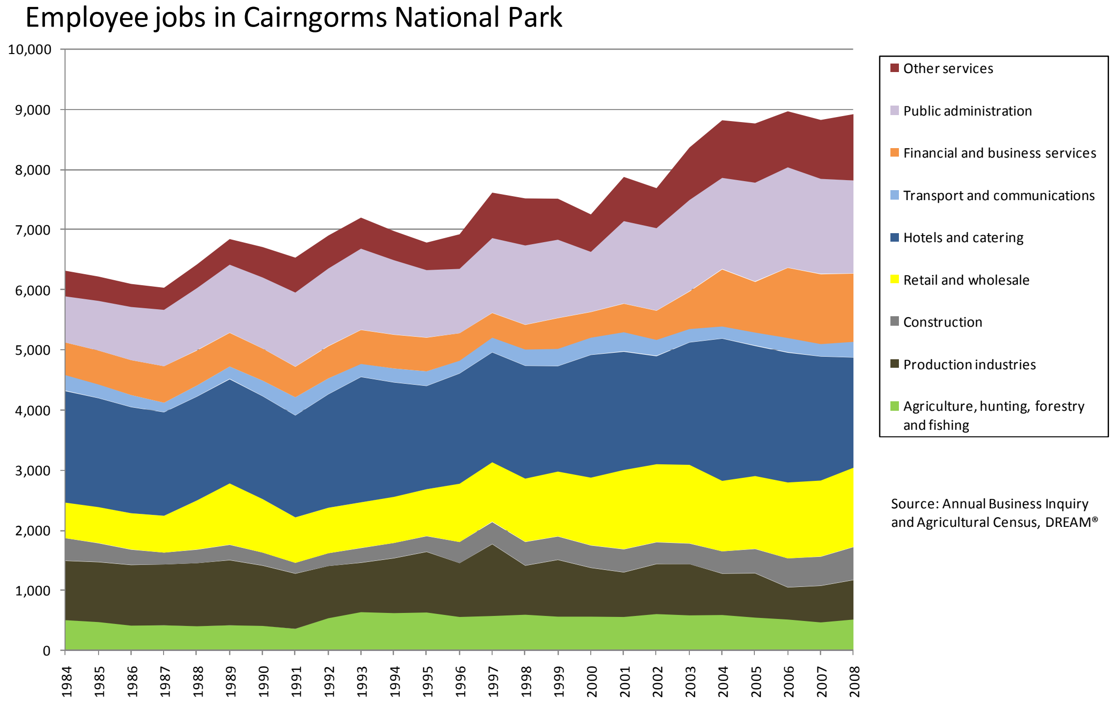



[4] The boundaries used for the National Park are built up from local authority wards (CAS 2003 wards). A list of wards and a map showing the boundaries used is shown in section 13.3 - Economic data: employment and GVA.

Two thirds of the jobs in the Park are in private sector services, and the remainder divided evenly between public services and goods-producing industries, in which we include construction and agriculture. Across the Park, tourism related activities, such as distributive trades, hotels and restaurants account for a sizeable proportion of employees.

Much of the expansion in employment since the turn of the millennium has taken place in the private service sector with retailing growing steadily and the numbers employed in hotels and catering expanding in 2003 to make it one of the largest sectors in the Park (see Figure 26). Financial and business services (including call centres allocated to 'administrative and support services) have also grown substantially in recent years to account for around 1,000 staff. Other sectors to have increased their number of employees in recent years include public administration and 'other services', which includes leisure services.

**Figure 26 Employee jobs**




As employment has been rising, unemployment has been going down. The lowest monthly figure in recent years has been less than a tenth of the figure reached at the peak of the 1980s recession. The issue of unemployment is dealt with in more detail in section 6.

## 5.2 Commuting

Commuting is one respect in which the Cairngorms differs from Scotland's other National Park. The Park is too far from major centres of employment for commuting out to be a very large scale phenomenon. At Loch Lomond and the Trossachs there is a great deal of commuting to Glasgow, its suburbs and satellite towns, and to Stirling. But even with improved connectivity there is very little chance of the Cairngorms National Park becoming a dormitory suburb to any significant extent.

Nevertheless, within the Park the range of employment opportunities which are not tied to visitors, the land, or local services is only limited, and so people with special skills who want to live in the Park may need to travel to work. Correspondingly, the Park does not have so many jobs that it attracts commuters in from long distances, but nevertheless there are small communities and isolated residences around the Park, but outwith its boundaries. For these surrounding residents the Park offers the best job prospects available.

In journeys to work there are some local flows in both directions across Park boundaries – for example people live near Forres and work in Grantown, or vice versa, or Newtonmore to Pitlochry. These are relatively small and tend to balance out. The major flows are to and from Inverness and Aberdeen, as regional economic capitals, and to an extent into Moray and Aberdeenshire. The Park can usefully be divided into two main labour markets, one to the west and northwest of the Park, and the other Deeside.

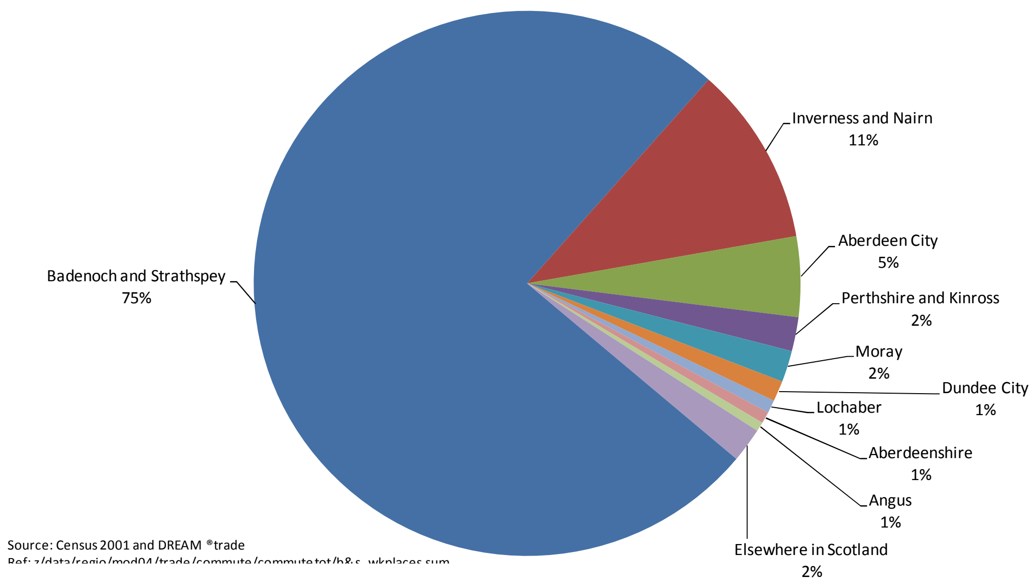
## Past commuting patterns

Estimates for 2001 from the west of the Park (that is, for Badenoch and Strathspey) were that it had 1,408 in-commuters and 1,269 out-commuters, representing about a quarter of the labour market. Figure 27 shows the place of work of residents of Badenoch and Strathspey, including the quarter or so who leave the area for their employment each day.

At the time of the Census in 2001, the Inverness area attracted about 600 Cairngorms residents, a number which is likely to have increased as employment in Inverness has grown substantially (by 13 per cent) and improvements in road and rail transport have made commuting easier. In addition, the Census showed approximately 100 commuters to each of Moray and Perthshire, and 250 to Aberdeen. It is likely that several of the latter continued through Aberdeen to offshore work in the oil industry.

**Figure 27 Commuting patterns from Badenoch and Strathspey**

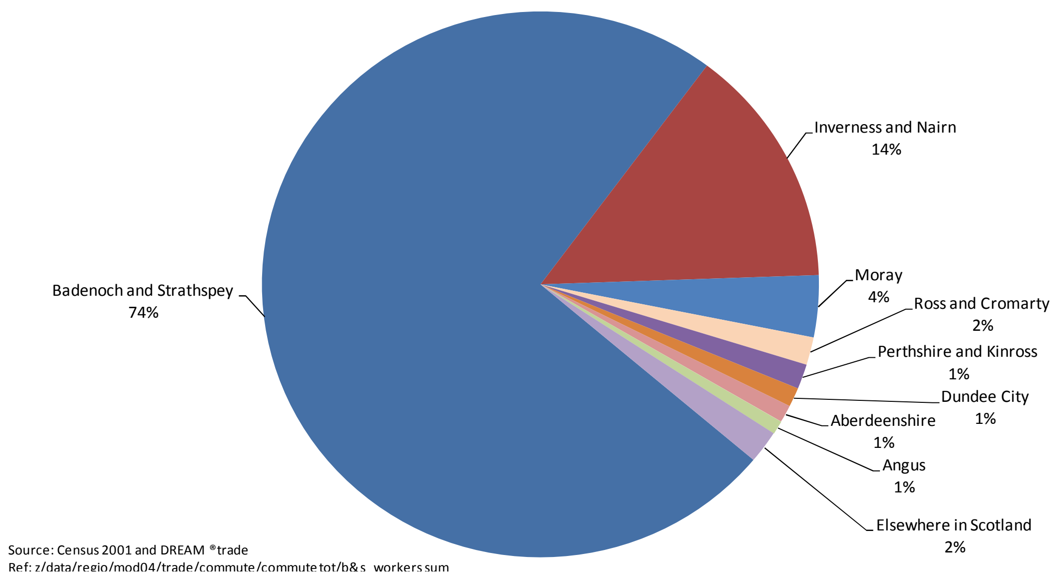
**Place of work of Badenoch and Strathspey residents, 2001**




Three quarters of those who work in Badenoch and Strathspey also live in the area, as shown by Figure 28. Of those who regularly commute into the area, more than half come from the Inverness area with a small number from Moray. Only a handful commute in from the south.

**Figure 28 Residence of people working in Badenoch and Strathspey**

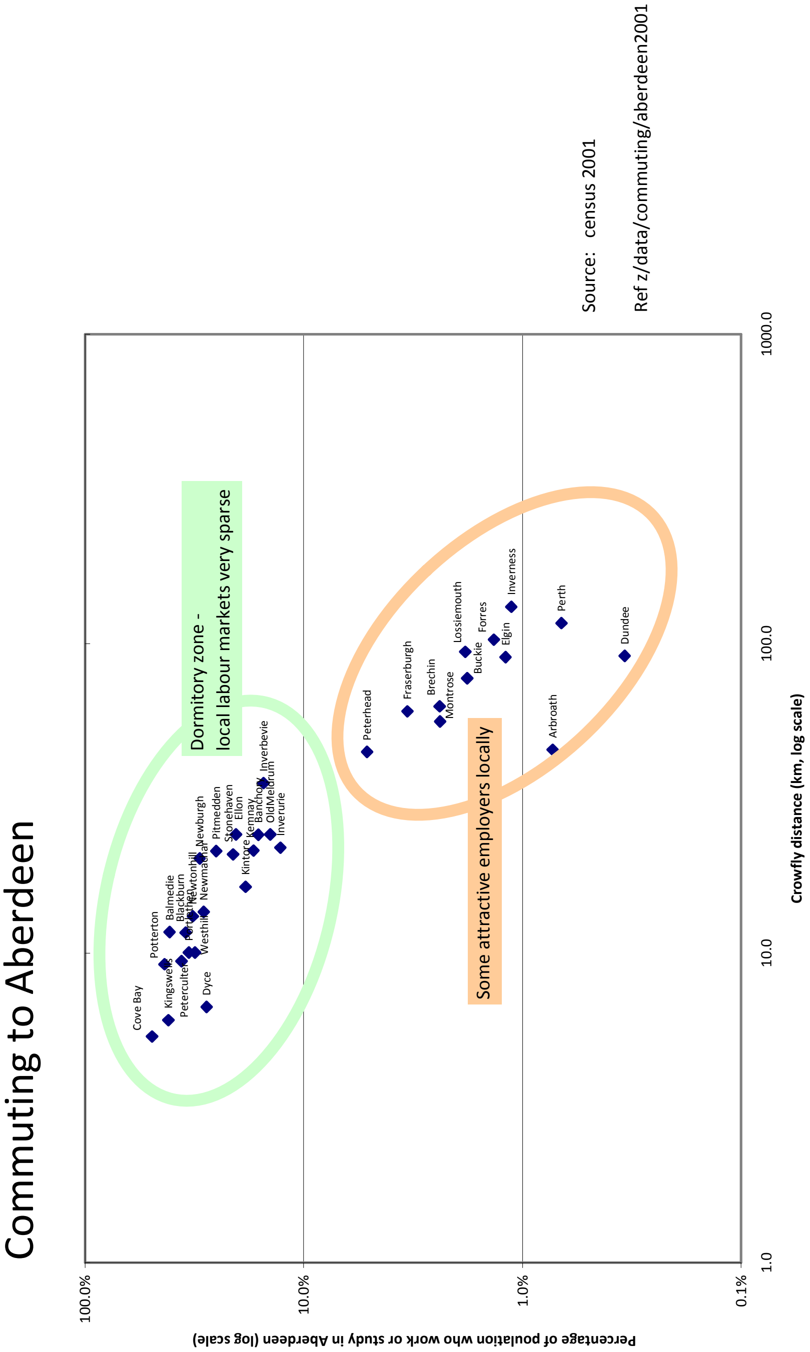
**Place of residence of Badenoch and Strathspey workers, 2001**



The 2001 census of population figures can also be used to provide an estimate of the level of commuting around the eastern area of the Park around Deeside and Glenlivet.

As a small town, Ballater's economy is relatively narrow. Nevertheless it is 67 kilometres or 82 minutes by road from Aberdeen, a distance which places it on the edge of the normal catchment area for commuting. Figure 29 shows how the propensity to commute to Aberdeen depends primarily on how far away it is, but also on the range of other workplaces available. Conceptually Deeside falls into the green-ringed area - Aberdeenshire settlements which do not have a substantial diverse employment base of their own.

**Figure 29 The Park lies outwith the Aberdeen commuting zone**



Ballater is the same distance from Aberdeen as Fraserburgh, which sends about 3.4 per cent of its population to work in the city. However, the local labour market in western Deeside is much smaller than on the north east coast. Banchory, which is less than half the distance from Aberdeen of Ballater, sends 16 per cent of its population to work in the city. Taking a figure of seven per cent, we would estimate that about 100 people are likely to commute from Ballater and 50 from other places to the north and east of the Park, based on the trade-off between distance and commuting numbers found in Aberdeenshire. Inflows are likely to be much smaller, probably of the order of 50 individuals.

## Current estimates of commuting

The calculations above for the numbers of in and out commuters are based on the 2001 Census of Population, which is the only authoritative source of data on commuting. However the Census is now nine years old, and many issues highly relevant to commuting have changed.

Taking into account the growth and ageing of population, and shifts in employment and unemployment across north east Scotland, an updated estimate of commuting flows has been prepared.

Between 2001 and 2008 it is estimated that the total number of Cairngorms residents who leave the Park to work has risen by more than a quarter (26 per cent) (see Table 3). Over the same period, the number of adults living in the Park has increased by a much more modest 7 per cent although the number of working residents has increased by some 17 per cent. This is thanks to a considerable tightening of the labour market resulting in the number of local residents unemployed or otherwise not working falling by almost a quarter (23 per cent).

### Table 3 Estimated level of out-commuting

Place of work of Cairngorms National Park residents

| Year | Cairngorms National Park | Aberdeen | Inverness | Work elsewhere | Unemployed | Not working | Total residents | Total working residents | Total out-commuters |
|---|---|---|---|---|---|---|---|---|---|
| 2001 | 6479 | 350 | 600 | 470 | 294 | 2192 | 10385 | 7899 | 1420 |
| 2008 | 7425 | 440 | 709 | 640 | 136 | 1737 | 11086 | 9213 | 1789 |
| Change 2001 to 2008 | 15% | 26% | 18% | 36% | -54% | -21% | 7% | 17% | 26% |

Source: DREAM®job, cogentsi

The main factors driving the projections are the burgeoning of employment in Aberdeenshire, Moray and Perthshire, which is enticing increasing numbers of Park residents to work in their areas. At the same time, the growth of the population of Inverness has provided greater opportunities for those who live in the Park.

The numbers commuting into the Park to work is also predicted to have increased, but only by a small amount (7 per cent) and at a much lower rate than the increase in the size of the workforce (see Table 4). In other words, a smaller proportion of the Cairngorms workforce is now predicted to live out with the Park compared to in 2001.

### Table 4 Estimated level of in-commuting

Place of residence of workers in Cairngorms National Park

| Year | Cairngorms National Park | Aberdeen | Inverness | Live elsewhere | Total workers | Total in-commuters |
|---|---|---|---|---|---|---|
| 2001 | 6479 | 100 | 850 | 450 | 7879 | 1400 |
| 2008 | 7425 | 102 | 995 | 399 | 8921 | 1496 |
| Change 2001 to 2008 | 15% | 2% | 17% | -11% | 13% | 7% |

Source: DREAM®job, cogentsi

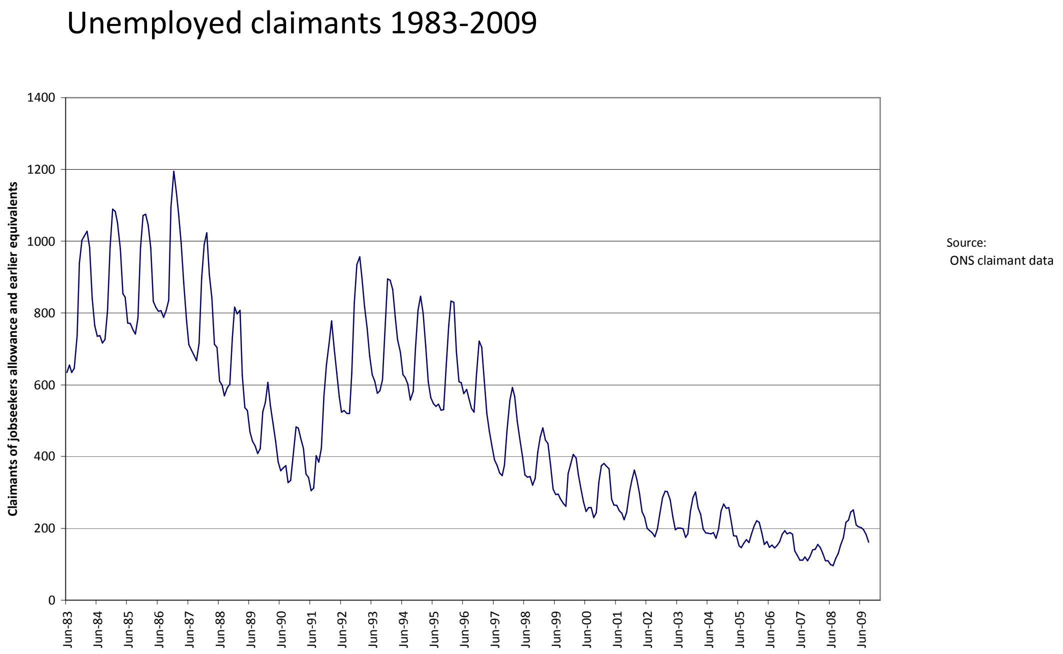
Indeed, practically all of the extra in-commuters to the Park are predicted to come from Inverness. Much of the expansion of the Highland capital has taken place in the east and south of the city – conveniently located for the A9 south into the Park.

It is important to stress that this analysis is only an estimate of what is likely to have happened, taking into account the changes that have occurred. They are not the type of authoritative figures which are provided by the Census. The model used to deduce these figures is summarised in section 16.3.

# 6 Unemployment

The number of unemployed claimants living in the Park is currently 160, having touched 250 in spring 2009. Historically this figure has been well above 1,000, but in mid 2008, even after the recession had started, it was below 100 (see Figure 30). To understand the patterns we must separate out seasonal patterns and the long term shifts.

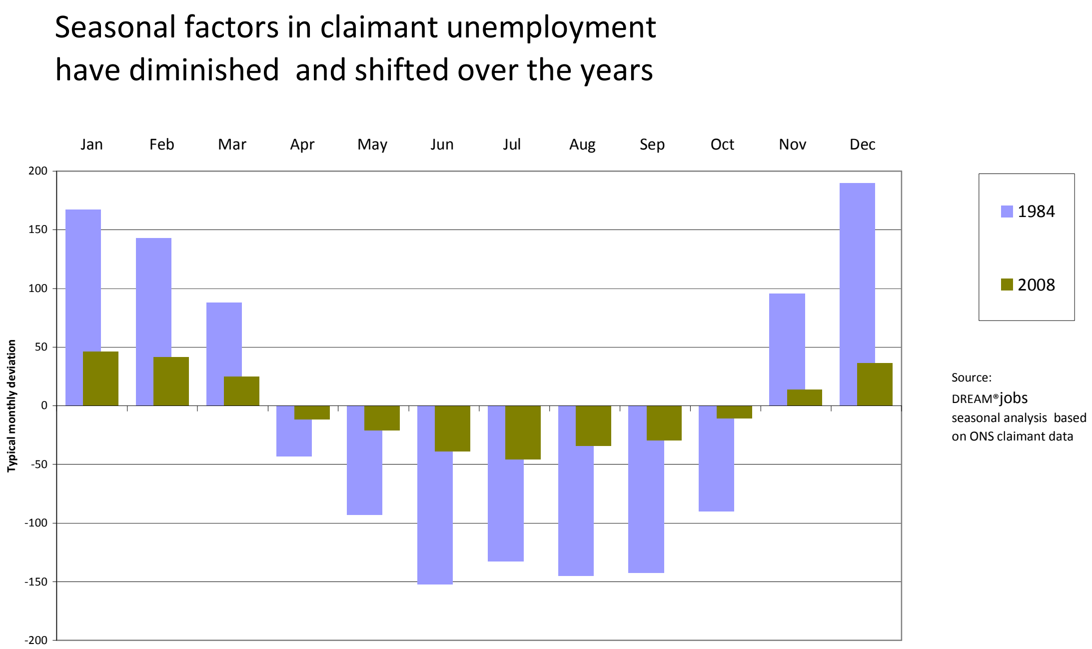
**Figure 30 Claimant count**




## 6.1 Seasonal patterns

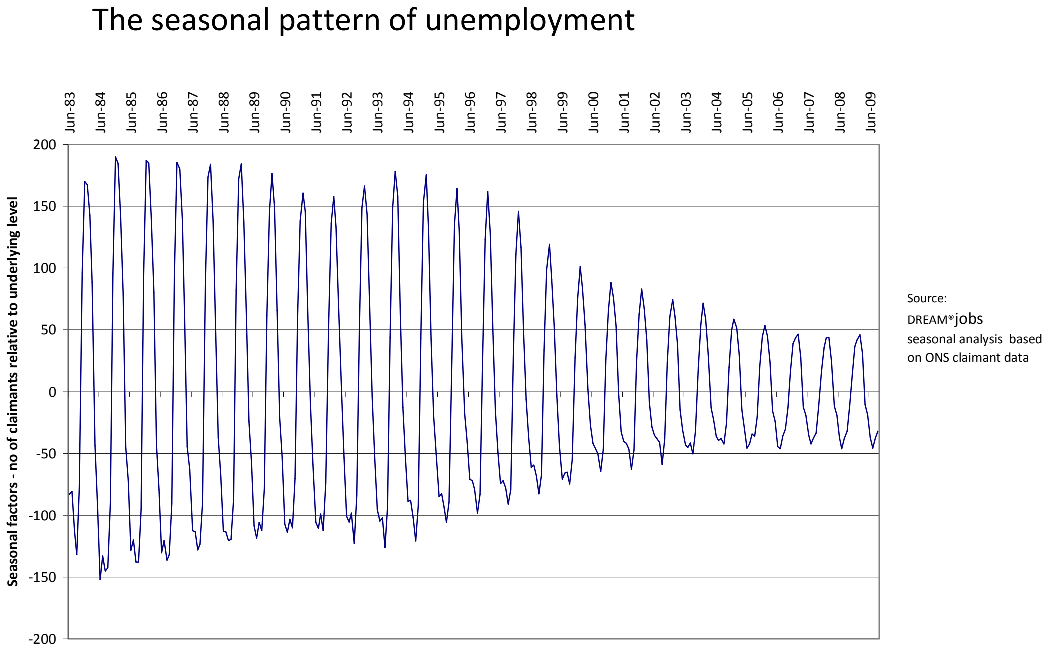
Analysis suggests that the seasonal pattern of unemployment in the Park has shifted over the years. A quarter of a century ago, in 1984, the seasonal peak in unemployment was in December, but now is in January (see Figure 31). The seasonal trough is now in July, coinciding with Scottish school and public holidays, when it used to be spread across June to September.

**Figure 31 Seasonal factors in unemployment**



However the decrease in amplitude is far more striking than the shift in timing. The seasonal swing from peak to trough used to amount to 350, in a labour market of 7,000. Now it has shrunk to 90, in a labour market of 9,000 (see Figure 32)

**Figure 32 Seasonal pattern of unemployment**



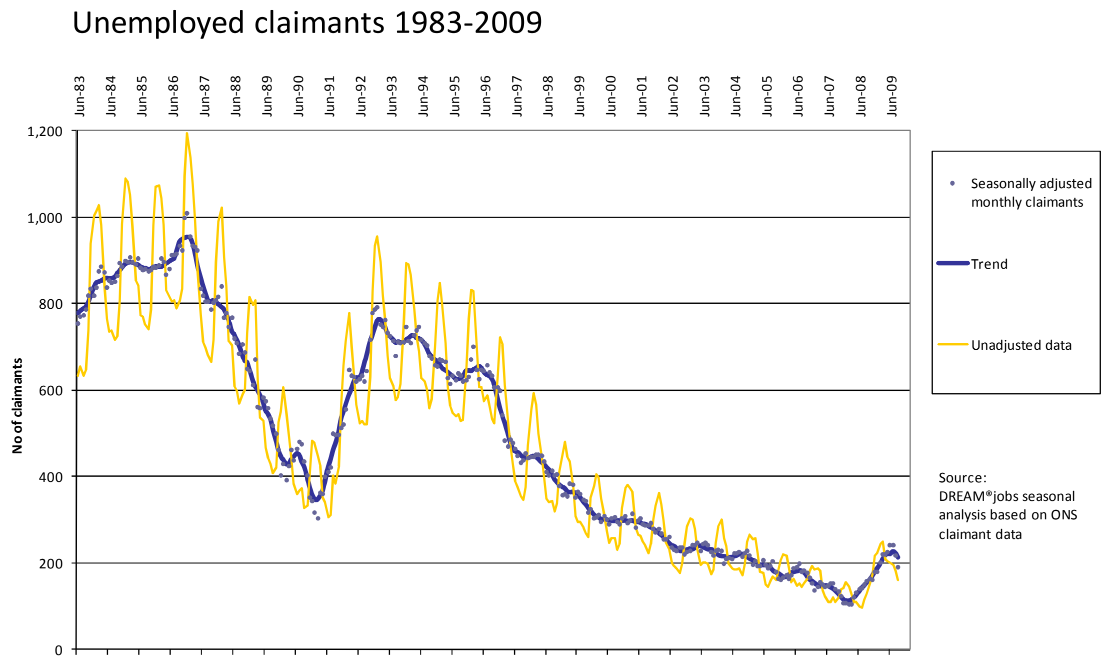

Although composed of changes in labour supply, labour demand, and benefit eligibility, this is at least *prima facie* evidence of a substantial strategic victory for the tourism industry. It is evidence that winter sports and attempts to spread the season have had some success, as well as the practice of hiring non-residents for seasonal jobs. These are real and locally specific factors, but they work on top of some limited national and general effects, including measures by successive governments which have reduced the number of unemployed people, reduced the benefit eligibility of those people, and sometimes massaged the figures cosmetically. Nevertheless, the elimination of four fifths of the seasonal variation in unemployment must be more than cosmetics.

## 6.2 Long term trends

The long term development of the labour market emerges clearly once the repetitive seasonal patterns have been removed from the data.

The 1980s recession started in most of Scotland around September 1979, and Cairngorms unemployment reached its peak for that recession in December 1986 (see Figure 33).

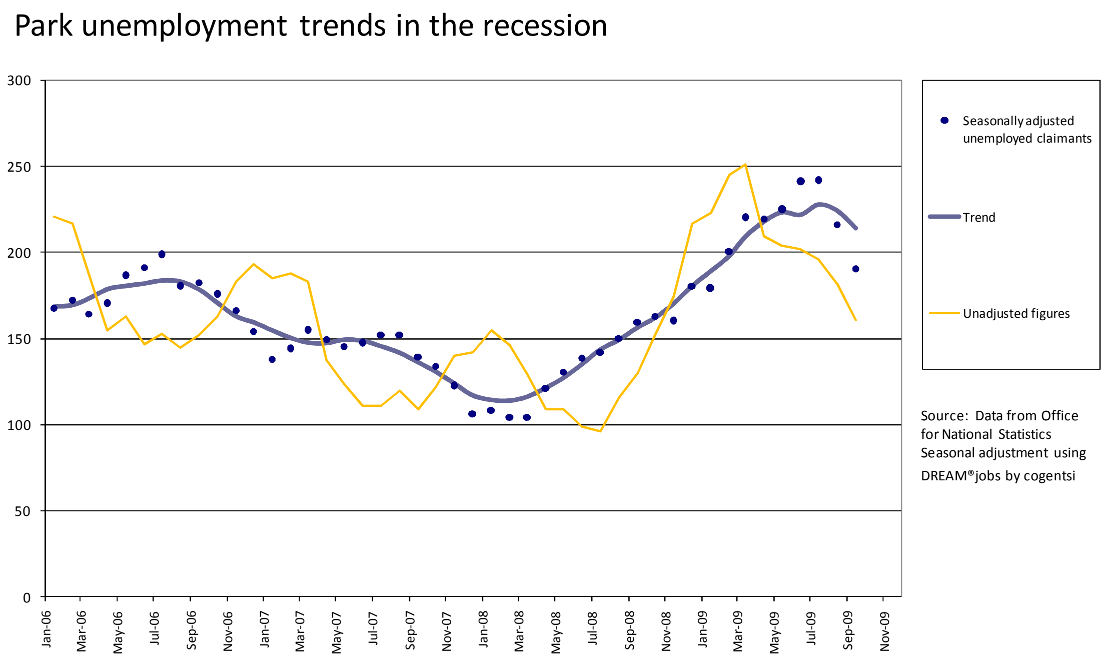
**Figure 33 Unemployment levels over the past quarter century**




For Scotland (but not for the UK) the economic downswing was more than three times as long and three times as deep as a typical post-war recession. In the Cairngorms it was not quite as deep, but significantly longer. The recovery, as far as it went, lasted until February 1991, and then there was a sharp worsening of unemployment until December 1992. Thereafter things got better reasonably steadily until the present recession started, in Cairngorms unemployment terms, in March 2008.

Monthly figures are shown up to September 2009 in Figure 34. They suggest the recession continued to get worse at the rate of about two jobs per week until July 2009, but the position improved substantially, by 50 jobs over and above the normal seasonal pattern, in the following two months. It will be some months before one can be certain that a downward trend in unemployment has emerged.

**Figure 34 Unemployment now rising in the recession**

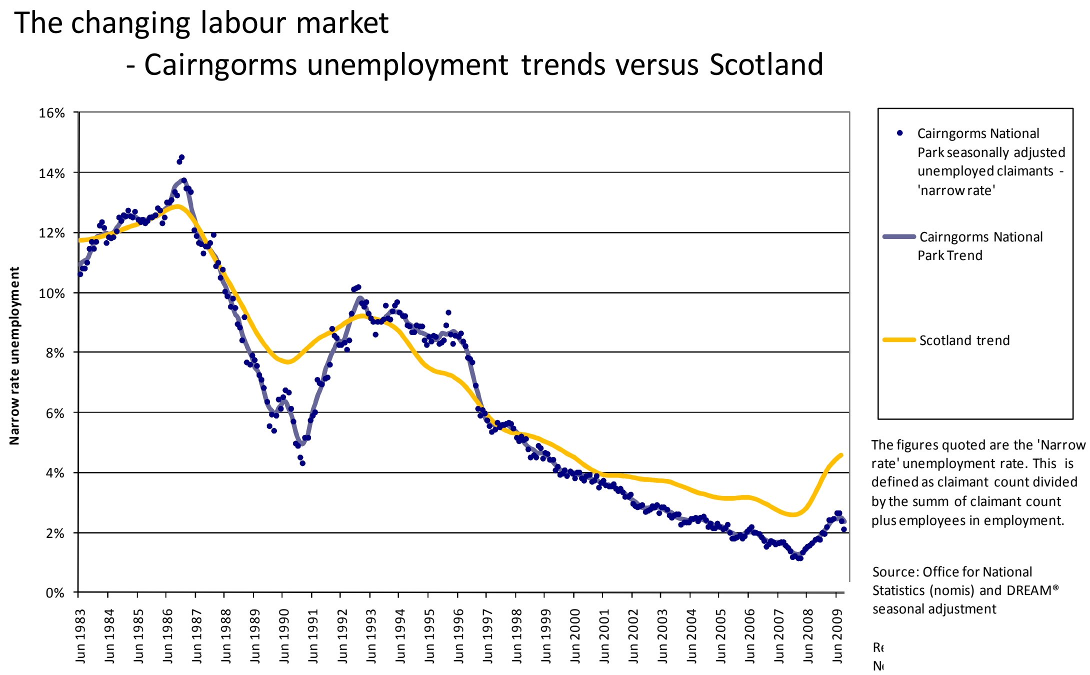



It is worth pointing out that, at the moment, long term unemployment is not a problem simply because a year ago there were less than a hundred people unemployed. If the recovery continues it will not be a major issue, but if the recession resumes it may become a problem. Nevertheless, the numbers are likely to remain relatively low and this can lend itself to quite a focused practical response. While long term numbers remain relatively low it is realistic for public agencies to develop approaches that can actively contact and support all affected individuals. This would be entirely consistent with the partnership focus of Workforce Plus. This can be linked with micro-business recruitment approaches as so successfully developed in north west Wales under the Sole Trader Initiative and later transferred successfully to the North West Highlands as Recruit Sutherland.

## 6.3 Comparisons with elsewhere

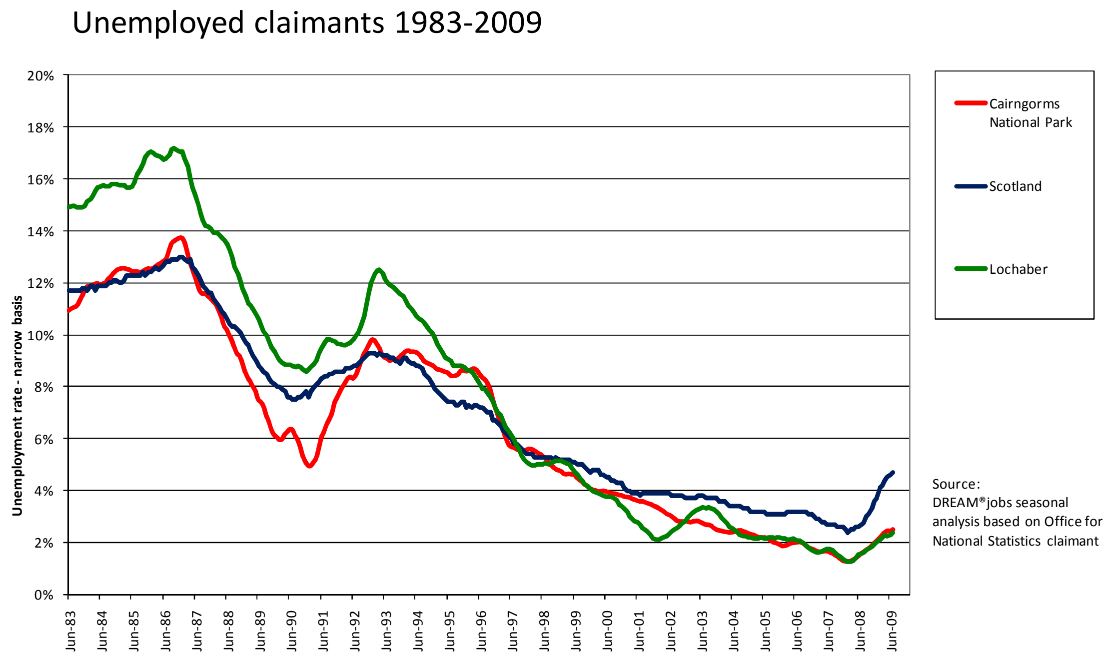
It is helpful to set the Cairngorms labour market in its wider economic environment. Except for the four years from 1993 to 1997, unemployment rates have been significantly lower in the Park than across Scotland as a whole (see Figure 35).

**Figure 35 Unemployment: Cairngorms versus Scotland**




However, the Cairngorms is not the only rural area to outperform the country in terms of reducing levels of unemployment. In many ways Lochaber can be considered a comparator for the Park. The Nevis Range mountain resort facility at Aonach Mor first developed as a winter ski resort in 1989. The unemployment rate in Lochaber prior to the development was much higher than the Scottish average. For example, in 1983, it was 30 per cent above the national rate (see Figure 36). At that time the rate in the Cairngorms National Park broadly matched the Scottish average.

**Figure 36 Unemployment: Cairngorms versus comparator areas**




During the late 1980s and early 1990s, Lochaber closed the unemployment gap with both the Cairngorms and Scotland, such that by 1997 the gap had disappeared all together. This coincided with the development of skiing and mountain biking facilities in Lochaber, and in the short term the competition may not have been good for the Cairngorms economy.

Since 1997 the unemployment rates in both the Cairngorms National Park and Lochaber have fallen progressively below the Scottish average rate. By July 2009, the rates in both the Cairngorms (2.5 per cent) and Lochaber (2.4 per cent) were almost half of the Scottish national rate (of 4.7 per cent).

Low unemployment rates in the Park can be associated with the greater availability of part time and temporary jobs, and a high level of self employment. It is also probably the case that when unemployment is a problem, for individual or for more general reasons, people living in country areas and small towns are more likely to move to the larger towns and cities looking for work than vice versa. It also is sometimes argued that rural people accept lower wages and so 'price themselves into work'.

## Deprivation related to employment

The Scottish Index of Multiple Deprivation provides a measure of employment deprivation for each of the Park's 25 datazones and is based primarily on evidence from the benefits system. It combines the proportion of the working age population in receipt of a number of employment related benefits, including: those who have been in the Claimant Count register for over 12 months; those in receipt of Incapacity Benefit; those receiving Severe Disablement Allowance; and participants in the Compulsory New Deal scheme.

In general the proportion of people reliant on benefits is considerably lower in the Cairngorms National Park than in many other parts of Scotland. Table 5 indicates that across the Park, the level of employment deprivation is much lower than elsewhere in the country. The main centres of populations in Badenoch and Strathspey along with the most rural areas of Deeside and the Angus Glens have the greatest evidence of employment deprivation. However, none of the Park's 25 datazones is ranked as amongst Scotland's 50 per cent most employment-deprived areas.

## Table 5 Employment deprivation across the Park

| Data zone | Locality | Area | Employment domain rank |
|---|---|---|---|
| S01003754 | Aviemore town (centre) | Badenoch and Strathspey | 3261 |
| S01003772 | Grantown on Spey hinterland (west) | Badenoch and Strathspey | 3687 |
| S01003755 | Aviemore town (west) | Badenoch and Strathspey | 3827 |
| S01003749 | Kingussie town (north) | Badenoch and Strathspey | 3876 |
| S01000708 | Glen Isla | Angus Glens | 4125 |
| S01000710 | Glen Clova | Angus Glens | 4157 |
| S01000360 | Strathdon | Deeside | 4213 |
| S01000303 | Ballater hinterland | Deeside | 4323 |
| S01003760 | Carrbridge | Badenoch and Strathspey | 4675 |
| S01003750 | Kingussie hinterland (north) | Badenoch and Strathspey | 4741 |
| S01003767 | Grantown on Spey town (north) | Badenoch and Strathspey | 4744 |
| S01000316 | Ballater town (north) | Deeside | 4850 |
| S01003764 | Grantown on Spey town (south) | Badenoch and Strathspey | 4862 |
| S01003759 | Boat of Garten | Badenoch and Strathspey | 4968 |
| S01004233 | Tomintoul | Moray | 4987 |
| S01003766 | Grantown on Spey town (centre) | Badenoch and Strathspey | 4990 |
| S01003756 | Nethy Bridge | Badenoch and Strathspey | 5136 |
| S01003751 | Aviemore east / Glenmore | Badenoch and Strathspey | 5151 |
| S01003747 | Newtonmore town | Badenoch and Strathspey | 5275 |
| S01000312 | Ballater town (south) | Deeside | 5340 |
| S01005147 | Blair Atholl | Highland Perthshire | 5411 |
| S01003771 | Grantown on Spey hinterland (east) | Badenoch and Strathspey | 5421 |
| S01003748 | Kingussie town (south) | Badenoch and Strathspey | 5542 |
| S01003743 | Laggan / Dalwhinnie | Badenoch and Strathspey | 5610 |
| S01000301 | Braemar | Deeside | 6190 |

Source: Scottish Index of Multiple Deprivation 2009, Scottish Government. Ref: P240/SIMD/deprivation/SIMD2009 employtab

**Legend**

| Ranking * | Level of deprivation |
|---|---|
| 1 up to 1301 | Much greater than Scottish aveage |
| 1302 up to 2602 | Slightly greater than Scottish average |
| 2603 up to 3903 | Around Scottish average |
| 3904 up to 5204 | Slightly less than Scottish average |
| 5205 up to 6505 | Much less than Scottish average |

* Ranking is out of 6505 datazones in Scotland

## Deprivation related to education and skills

Poor access to education, skills or training can damage an individual's chances of improving her or his quality of life through employment. As well as the employment measure (above) the Scottish Index of Multiple Deprivation (SIMD) also uses a number of indicators to measure the current and potential future levels of skills and training and provide a guide to education and skills deprivation. The indicators used include:

- School pupil absences
- Pupil performance on SQA at stage 4
- Working age people with no qualifications
- 17-21 year olds enrolling into higher education
- 16-18 year olds not in education, employment or training

Table 6 summarises the performance of the Park's localities compared to the other communities in Scotland. This indicates that the neighbourhoods in the Cairngorms National Park predominantly fall into the middle categories of education and skills deprivation. The highest levels of skills and education deprivation within the Park are found in Aviemore, and none of them are amongst the most deprived areas in Scotland. Some of the most rural areas, including in and around Kingussie, the Angus Glens and Upper Deeside, enjoy the lowest levels of education and skills deprivation.

### Table 6 Skills and education-related deprivation

| Data zone | Locality | Area | Education, skills and training domain rank |
|---|---|---|---|
| S01003754 | Aviemore town (centre) | Badenoch and Strathspey | 2241 |
| S01003764 | Grantown on Spey town (south) | Badenoch and Strathspey | 2356 |
| S01003755 | Aviemore town (west) | Badenoch and Strathspey | 2683 |
| S01003751 | Aviemore east / Glenmore | Badenoch and Strathspey | 3279 |
| S01000303 | Ballater hinterland | Deeside | 3342 |
| S01003756 | Nethy Bridge | Badenoch and Strathspey | 3492 |
| S01003759 | Boat of Garten | Badenoch and Strathspey | 3526 |
| S01003749 | Kingussie town (north) | Badenoch and Strathspey | 3556 |
| S01005147 | Blair Atholl | Highland Perthshire | 3659 |
| S01003766 | Grantown on Spey town (centre) | Badenoch and Strathspey | 3735 |
| S01003771 | Grantown on Spey hinterland (east) | Badenoch and Strathspey | 3770 |
| S01003747 | Newtonmore town | Badenoch and Strathspey | 3789 |
| S01003767 | Grantown on Spey town (north) | Badenoch and Strathspey | 3900 |
| S01000316 | Ballater town (north) | Deeside | 3924 |
| S01004233 | Tomintoul | Moray | 4016 |
| S01003743 | Laggan / Dalwhinnie | Badenoch and Strathspey | 4073 |
| S01000710 | Glen Clova | Angus Glens | 4212 |
| S01000312 | Ballater town (south) | Deeside | 4217 |
| S01000360 | Strathdon | Deeside | 4230 |
| S01003760 | Carrbridge | Badenoch and Strathspey | 4292 |
| S01003772 | Grantown on Spey hinterland (west) | Badenoch and Strathspey | 4344 |
| S01000301 | Braemar | Deeside | 4615 |
| S01003750 | Kingussie hinterland (north) | Badenoch and Strathspey | 5026 |
| S01000708 | Glen Isla | Angus Glens | 5367 |
| S01003748 | Kingussie town (south) | Badenoch and Strathspey | 5750 |

Source: Scottish Index of Multiple Deprivation 2009, Scottish Government.

**Legend**

| Ranking * | Level of deprivation |
|---|---|
| 1 up to 1301 | Much greater than Scottish aveage |
| 1302 up to 2602 | Slightly greater than Scottish average |
| 2603 up to 3903 | Around Scottish average |
| 3904 up to 5204 | Slightly less than Scottish average |
| 5205 up to 6505 | Much less than Scottish average |

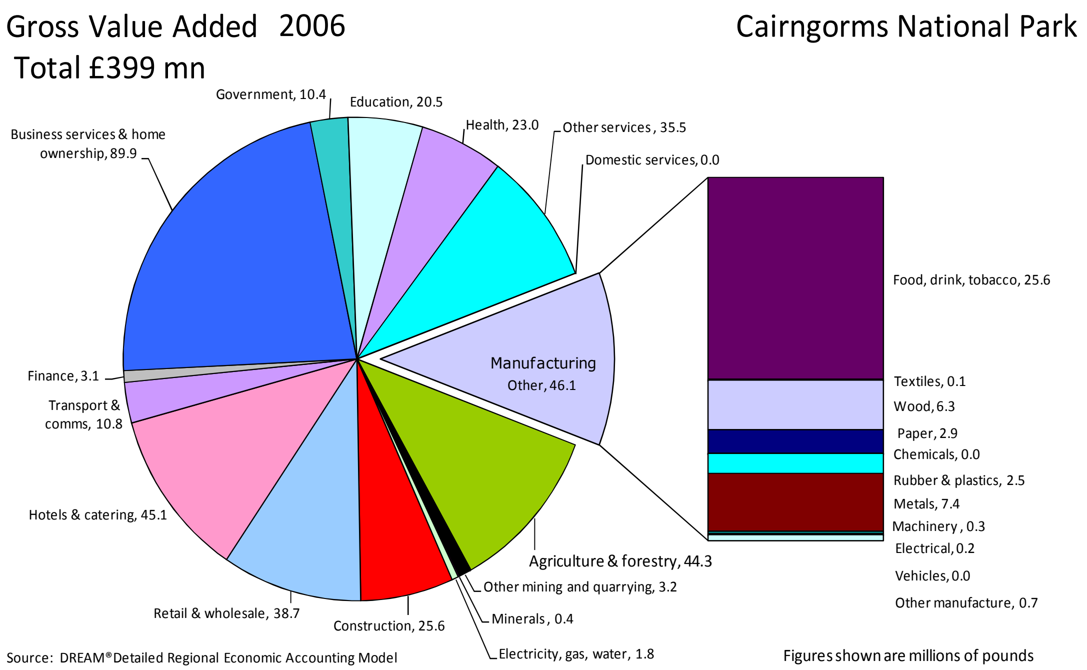
* Ranking is out of 6505 datazones in Scotland

# 7 Sectoral structure of the Cairngorms economy

The structure of the Cairngorms economy is highly unusual. The Gross Value Added (GVA) (sometimes called GDP) of economic activity in the Park is £399m per year. This represents 0.031 per cent of the GVA of the UK economy.

The largest activity grouping, business services and home ownership, accounts for more than a fifth of the total, as shown in Figure 37. Activities which are driven by the tourism, including hotels, catering and retailing account for a second fifth of the total. Government activities, including health and education generate wealth of over £50m each year

**Figure 37 GVA structure**




The most distinctive sectors in the Park (on this rather broad industrial classification) are farming (including forestry, fish farming and game keeping), and the whisky and wood industries. Whisky is the economically largest and by far the most distinctive part of food and drink – but other food and drink sectors are also significant.

## 7.1 Sectoral specialisation

The extent to which the Park's industrial structure is unusual can be identified using a technique known as *salience analysis*. This entails the comparison of the Park with a reference region (usually Scotland, Great Britain or the United Kingdom). Salience can be applied to any indicator of activity, but in this report is mostly used to compare industrial gross value added (the value of sales less the cost of inputs), or employment.

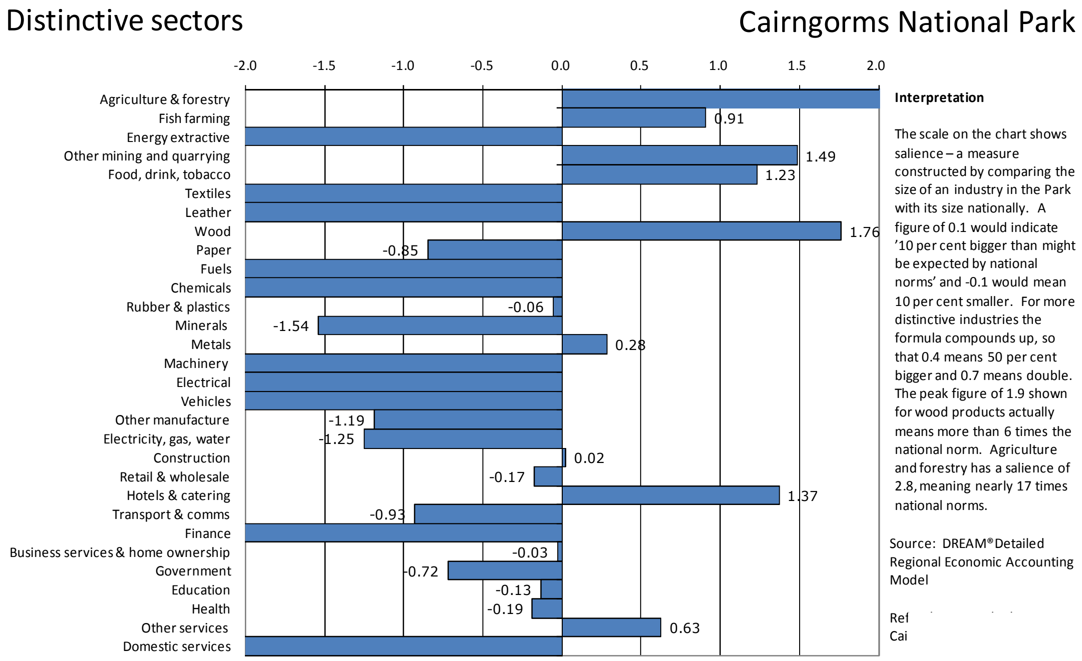
Salience is commonly presented in a bar chart, with a bar for each activity. A positive salience for the Park means that the amount of activity in the Park is proportionately greater than in the reference region. For value added, and usually also for employment, this is an indicator of competitive strength. A negative bar indicates less activity and a competitive weakness for that particular industrial sector. Of course, some sectors are not present at all in the Park.

Figure 38 categorises activities into one of 30 industries and provides a salience measure of each for the Park's economy. The scale used in the chart is logarithmic so that a distance of 0.01 on the scale indicates a 1 per cent higher level of output, 0.10 a 10 per cent higher level, and so on. Because of compounding, a distance of 0.70 on the salience scale indicates approximately double the output level of the reference, and a salience of 1.00 means an output level 172 per cent higher than the reference.[5]

[5] The salience of the wood industries' GVA, for example is calculated in Figure 38 as the natural logarithm of (the share of wood industries in total Park GVA *divided by* the share of wood industries in UK GVA). The brackets indicate that the division must be done before taking logarithms.

This chart indicates that agriculture and forestry is the most distinctive sector.  With a salience value of 2.8 it is 17 times more important to the Cairngorms National Park economy than agriculture and forestry is to the UK economy as a whole.  The wood sector is also highly distinctive, as is mining and quarrying and hotels and catering.

**Figure 38 Salient sectors in the Park economy**

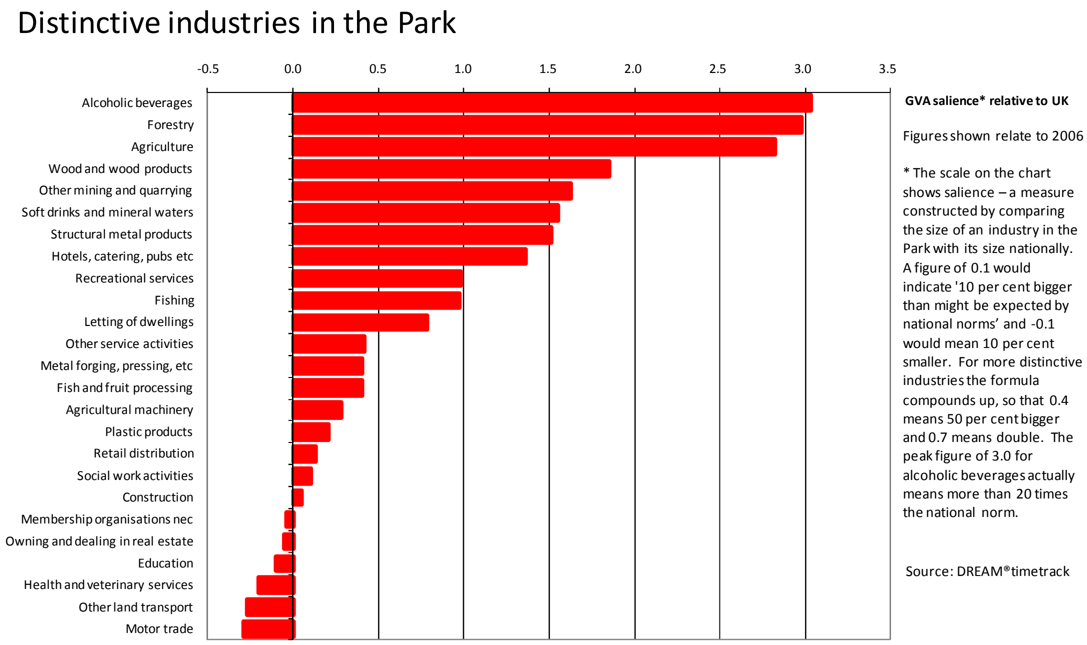



However, very specific activities and industries, such as home ownership and distilling tend to get be lost in the wider sectoral groupings when the economy is split into only 30 industries.  Consequently it is helpful to use a finer industrial split of 123 industries instead of the 30.  As shown in Figure 39, where the industries have been sorted by salience, only 19 out of the 123 industries are over-represented in the Park compared to national averages.  Of these, eleven have a salience greater than 0.7 showing that they are contributing more than double a 'normal' amount to the economy.  This analysis suggests that whilst the Park's economy has some key strengths, it is reliant on a narrow industrial base.

---

An alternative way of presenting the same calculation is as the natural logarithm of (the share of the Park in UK wood industries *divided by* the share of the Park in the UK economy).  Thus where a Park industry is bigger than 0.031 per cent of the UK total, it has a positive salience, and where it is smaller the salience is negative.

**Figure 39 Distinctive industries by gross value added**



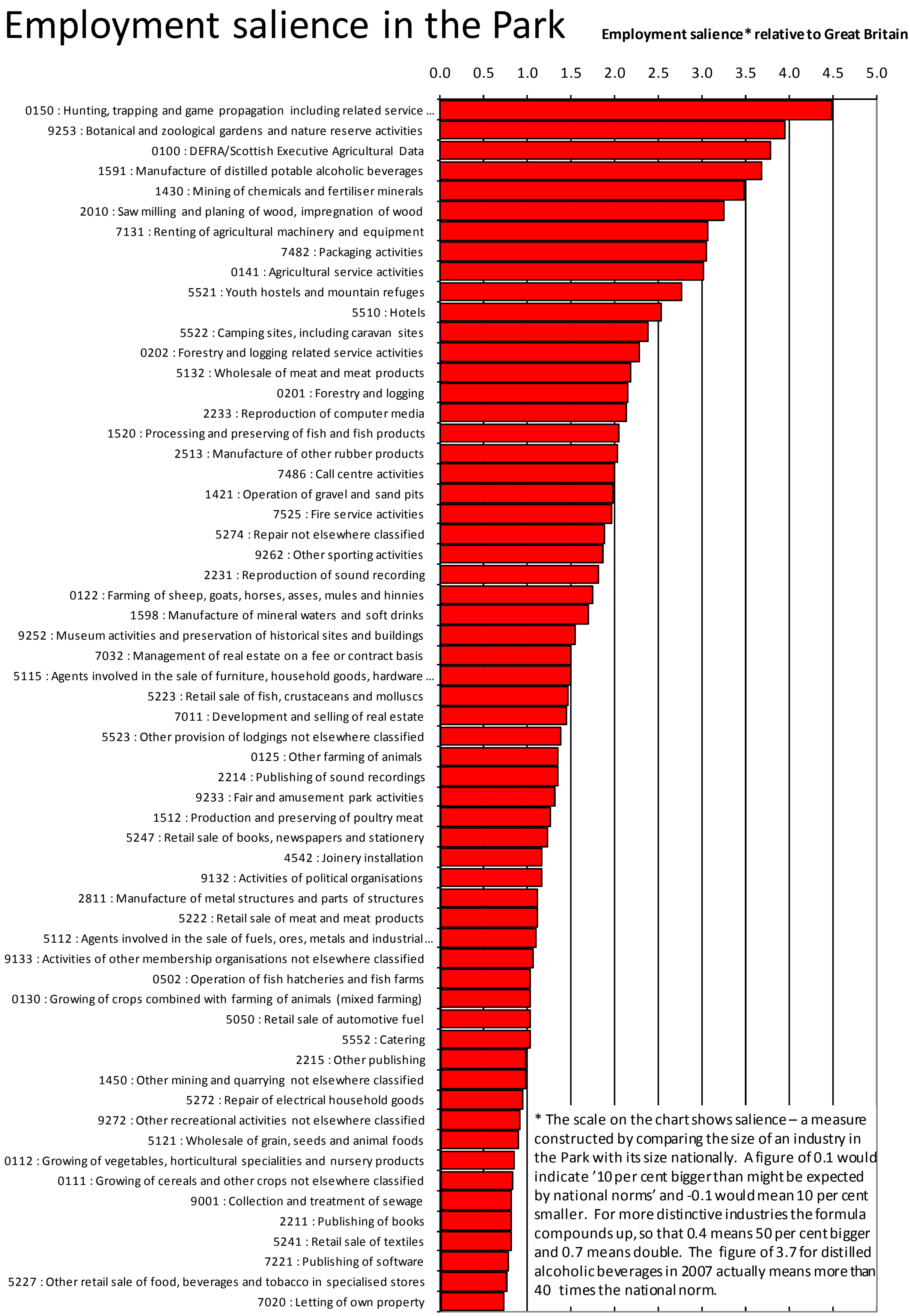

It is apparent that strength is often found in 'groups' of related industries - so called industrial clusters. For example, forestry and wood products are similarly strong as are whisky and mineral water. In the first case the industries are directly linked in a supply chain, whereas in the second they are in effect parallel products, with commonalities of processing, distribution, marketing and ownership, but without direct connections between products. Other grouped industries, such as the tourism cluster, can be seen in hotels and catering, recreational services, other services, letting of dwellings, and in the fact that retailing is a third bigger than the community itself would justify. These relationships are considered in considerably more detail in Section 8 from page 50.

Figure 38 and Figure 39 show the salience of wealth created, GVA, as a measure of distinctiveness. However, it is possible to draw out an interesting and even more detailed picture of distinctiveness if we use the salience of employment. This is because employment statistics are available at a 513-industry level of detail, compared to the 123 industry details for GVA[6]. This not only highlights the clustered nature of the Park economy but brings out some important features within the clusters. However it must be borne in mind that whereas salient wealth creation is a fairly clear-cut indicator of a competitive industry, salient employment may not be so decisive: indeed in principle a high level of employment in extreme cases can indicate that an industry is feather-bedding employees, and so is ***un***competitive. However there are no obvious industries in the Park which fall into this perverse category.

On this very fine classification estates and conservation bodies are the most distinctive industries found in the Cairngorms, followed by spirit distilling by the whisky companies. Mineral extraction is important, and the three most distinctive elements of the forest products cluster appear as sawmilling, as harvesting and planting contractors, and as forest stewardship, in that order. The extensive use of contracting in agriculture is brought out.

[6] Four digits of the Standard Industrial Classification (2007 edition). Many of the actual employment figures at this level cannot be published, to preserve the confidentiality of the employer, but the overall structural conclusions can be presented.

**Figure 40 Distinctive industries by employment**

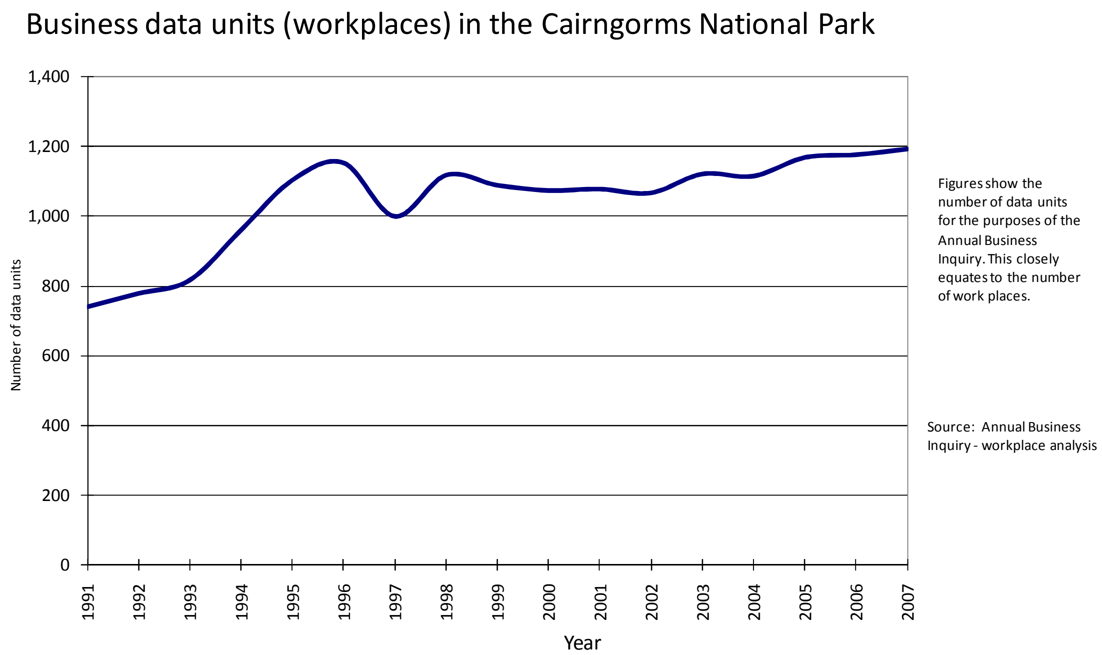


## 7.2 The company base

The number of businesses operating within the Park has been on a modest upward trend in recent years (see Figure 41). Strictly speaking the numbers quoted in the chart are not individual business, but are data units for the purposes of the Annual Business Inquiry. These closely equate to places of work, so for example, a supermarket with a chain in both Aviemore and Ballater would be treated as two data units, rather than one.

Since the Park's inception there has been steady year on year growth in the number of workplaces. In 2003 there were 1,066 data units. Net additions up to 2007 amounted to 125 – a rise of more than 11 per cent, or almost 3 per cent per annum.

**Figure 41 A slow upward trend in the number of businesses**




As in all parts of the country, most businesses which operate within the Park are small – employing fewer than five staff. More than two thirds (69 per cent) of all data units in the Park have fewer than five staff (see Figure 42). In fact this number is an under estimate since the Annual Business Inquiry figures exclude farms, practically all of which will have no more than four employees.

Compared to Scotland as a whole, the work places within the Park tend to be smaller. Only 14 per cent of the Park's data units (about one in seven) have more than ten employees. The equivalent figure for Scotland is 19 per cent, or almost one in five. Even the distribution in Lochaber, an area similar to the Cairngorms, has more than one in six of its workplaces with at least ten members of staff.

Amongst the larger workplaces, with at least 25 members of staff, the Cairngorms is particularly under-represented. One in ten of Scotland's workplaces have more than 25 staff, a figure which is almost double the rate in the Cairngorms.

## Figure 42 Size distribution of workplaces