

The Contribution and Socio-Economic Role of Scottish Estates

A report prepared by the Scottish Agricultural College

January 2004

A Critique by Andy Wightman¹

Version 2.2 - 15 January 2004

This study was commissioned by the Scottish Estates Business Group and seeks to “explore the contribution in economic, social and environmental terms that rural estates make to Scotland”. A copy can be obtained from the SAC website <http://www.sac.ac.uk/> and clicking on News and Events.

Unfortunately, the study is fundamentally flawed in a number of respects and cannot be relied upon to provide the answers it seeks to. The sample size for the study is 9. Out of 3000 or so candidate estates, only 9 were selected in three categories, small, medium and large. No meaningful conclusions can be drawn from such a small sample size. Thus the financial figures and other conclusions are subject to a massive margin of error that would be unacceptable in any piece of academic research.

Notwithstanding this fundamental flaw, the report seeks to draw broad impressionistic conclusions from what it describes as “typical estates”. These typical estates are drawn from the same small sample of 9. These conclusions are thus invalid.

Studies of this kind are, even with rigorous sampling, of increasingly doubtful value. The calculation of economic outputs and multipliers is frequently used to justify a whole host of industry’s contributions to the wider economy. What such studies fail to do is to answer the question “So what?”. Output figures of £2.81 million are only of any real value if one can put them into context. For example, it would be useful to know how this figure compares with other areas of Scotland with similar geographical characteristics but without huge estates. Is £2.81m more than we might expect, around the same, or much less?

This is particularly relevant in the case of land. One might claim, for example, that a particular industry is worth, say, £100m to the Scottish

¹ This critique is based upon a reading of the *Summary Report*. No details are currently available on how or where to obtain copies of the *Full Report*. This 15 January version is informed by a response from the author of the research to questions I raised on 14 January.

economy. This suggests that were this industry to disappear, £100m would be lost to the economy. Of course the economy would recover in time but it is reasonable to claim that such a loss would be suffered, at least in the short-term.

With land, however, the fact that a large estate contributes, say, £2.5m to the local economy, is of no such value. Were that estate to disappear, the land and assets would still be there owned by other people. It is likely that the aggregate output would in fact be greater.

Furthermore, it is of doubtful value to say whether or not any output figures are significant or not in the context of an estate such as Seafield Estates (see next point) that owns over 100,000 acres of Strathspey. Anyone who owns 100,000 acres of land is likely to have a significant impact on the local economy because of the very fact that they own so much of the land and property (including houses and shops) in the area. The real story would, by contrast, be in a case where such an estate *did not* make a significant contribution to the economy.

Finally, doubts exist as to whether the sample was truly random. One of the large estates sampled (indeed used as the “Large Estate Case Study”) is Seafield Estates in Strathspey. We know this because, despite its identity not being revealed, the text in the case study box on page 25 of the study is a direct lift from Seafield Estate’s own website.² Furthermore, the study claims that this estate “support(s) 14% of the total world population of Scottish crossbill and 3% of the British population of capercaillie” Again, these same figures are evident on Seafield’s website³

The inclusion of Seafield Estates raises a question mark over the independent nature of the research since Sandy Lewis, the Chief Executive of Seafield Estates is also Chairman of the Scottish Estates Business Group, the sponsors of the study. Was Seafield Estates included on the basis of a random sample (as claimed) or was it included at the behest of the sponsors? Can a report be said to be

independent when the sponsor’s own business interests appear so prominently in the summary findings? What should one make of Mr

² Go to <http://www.seafield-estate.co.uk/> and click on “Management Policy” and you can see the matching text.

³ Go to <http://www.seafield-estate.co.uk/> and click on ‘Estate Areas’ The figures are given below the map in the Strathspey Estate section of the page.

Lewis's claims that it is "extremely valuable to have independent and authoritative research"⁴

The PR consultants employed to publicise this report claimed in an email to a major news outlet that the report "adds a new dimension to the land reform debate, showing that the bulk of Scotland's landowners are a force for good." Sandy Lewis claimed in the Press and Journal on 15 January that "this research shows the major contribution estates make to rural Scotland." The report's author Graham Kerr, claimed in the Scotsman that "The research confirms beyond doubt the extent of the significant contribution of estates in social, economic and environmental terms".

Unfortunately, the report and the research do none of these things. The report provides no evidence whatsoever on the role of the "bulk of landowners" or on the "contribution estates make to rural Scotland". the research does not confirm anything beyond doubt, far less the social, economic and environmental contribution of Scottish estates".

The research does, however, provide some information and insight into the activities of 9 of them.

This is not a research study. It is a PR document.

POSTSCRIPT

SAC are now saying that "We recognise it is a small sample, but it is a starting point." They also now claim that the research was a "pilot study" which the college hoped to develop further.⁵

⁴ Scotsman, 15 Jan, Herald 15 Jan, P&J 15 January 2004

⁵ Press and Journal, 15 Jan 2004.