

north
ippr

A NEW RURAL AGENDA

EDITED BY JANE MIDGLEY

ippr

The **Institute for Public Policy Research** (ippr) is the UK's leading progressive think tank and was established in 1988. Its role is to bridge the political divide between the social democratic and liberal traditions, the intellectual divide between academia and the policy making establishment and the cultural divide between government and civil society. It is first and foremost a research institute, aiming to provide innovative and credible policy solutions. Its work, the questions its research poses and the methods it uses are driven by the belief that the journey to a good society is one that places social justice, democratic participation and economic and environmental sustainability at its core.

ippr north is the Newcastle-based office of ippr, and was opened in January 2004.

For further information you can contact ippr's external affairs department on info@ippr.org, you can view our website at www.ippr.org and you can buy our books from Central Books on 0845 458 9910 or email ippr@centralbooks.com.

Our trustees

Chris Powell (Chairman)
Chai Patel (Secretary)
Jeremy Hardie (Treasurer)

Lord Puttnam
Professor Kumar Bhattacharyya
Lord Brooke
Lord Eatwell
Lord Gavron
Professor Anthony Giddens
Lord Hollick
Jane Humphries
Roger Jowell
Neil Kinnock

Frances O'Grady
Carey Oppenheim
Sir Michael Perry
David Pitt-Watson
Dave Prentis
Sir Martin Rees
Ed Sweeney
Baroness Williams
Baroness Young of Old Scone

CONTENTS

Acknowledgements	iv
About the authors	v
Executive summary	1
1. Towards a new rural agenda	7
Jane Midgley and John Adams	
Section 1: Rural economies	
2. European agricultural and rural development policies for the 21st century	29
Philip Lowe	
3. Rural development and the economies of rural areas	46
Neil Ward	
4. Delivering rural economic regeneration: a view from the front line	68
Richard Pealing	
Section 2: Rural society and public services	
5. Poverty, social exclusion and welfare in rural Britain	76
Paul Milbourne	
6. Rural services: provision and accessibility	94
Brian Wilson	
7. Rural housing affordability and sustainable communities	114
Sarah Monk and Aoife Ni Luanaigh	
8. Making a difference: challenging rural deprivation	136
Sara Gowen	
Section 3: Rural politics and governance	
9. Rural politics and governance	140
Mike Woods	

Acknowledgements

I would like to extend my thanks to those individuals who have given their time and effort to the research, both those whose contribution appears in print and those whose input remains unnamed but whose insights and willingness to engage in discussion are recognised and appreciated, whether in research seminars or in more informal conversations. All have stimulated the research and policy debate, and the ideas contained within this book. In addition, I would like to thank the following members of staff at the Institute for Public Policy Research (ippr) and ippr north for their help and support during the course of the research: John Adams, Michael Brunskill, Tony Grayling, Georgina Kyriacou, Howard Reed, Katie Schmuecker, Sue Stirling and Loraine Sweeney.

Thanks are also extended to the Commission for Rural Communities, One NorthEast and Rural Regeneration Cumbria, without whose support this research could not have been undertaken. However, as always, the contents of this publication remain the views of the respective authors and do not necessarily reflect those of their organisations or the supporting organisations.

Jane Midgley, May 2006

About the authors

John Adams is Director of Research at ippr north, the Newcastle office of the Institute for Public Policy Research.

Sara Gowen has worked in community development for over 15 years and currently manages the Peak District Rural Deprivation Forum.

Philip Lowe OBE is the Director of the UK Research Council's Rural Economy and Land Use Programme. Prior to this he was the Director of the Centre for Rural Economy at Newcastle University, and remains a Professor of Rural Economy at the university.

Jane Midgley is a Research Fellow at ippr north, the Newcastle office of the Institute for Public Policy Research.

Paul Milbourne is a Professor in the School of City and Regional Planning at Cardiff University and is Director of the Wales Rural Observatory.

Sarah Monk is Deputy Director of the Cambridge Centre for Housing and Planning Research, and a Senior Research Associate in the Department of Land Economy at Cambridge University.

Aoife Ni Luanaigh is a Research Assistant at the Cambridge Centre for Housing and Planning Research, specialising in rural housing.

Richard Pealing is Policy and Planning Manager for Rural Regeneration Cumbria.

Neil Ward is Professor of Rural and Regional Development, and Director of the Centre for Rural Economy at Newcastle University.

Brian Wilson is currently a Group Director at the Commission for Rural Communities, responsible for its studies and inquiries.

Mike Woods is Reader in Human Geography at the University of Wales, Aberystwyth.

Executive summary

In some ways the profile of rural affairs has never been so prominent. The *Rural Strategy* (Defra 2004) and the creation of the Commission for Rural Communities (Defra 2006) are only the most recent in a range of reforms that have aimed to address the needs of the countryside. The creation of the Department for Environment, Food and Rural Affairs (Defra) in 2001 and a commitment to a major review of affordable housing in rural areas in the 2005 Labour Party Manifesto (Labour Party 2005) are other examples.

Together these measures have done much to shift the focus of policy from merely promoting agriculture to addressing broader rural socio-economic issues. Furthermore, the decision in the 2004 *Rural Strategy* to specifically make social justice for all – improving the life chances of the rural population – a key aim of rural policy was one of the most welcome developments in rural policy for many years.

However, despite improvements in recent years and assumptions in some quarters that there are few social and economic problems in the countryside, we have much to do to achieve a progressive, fair and equal society in Britain's rural areas. Levels of pensioner poverty remain stubbornly high, a lack of access to public services can have disastrous consequences on the most vulnerable, and local communities have little power to address social problems in their midst. Major progress is necessary.

If we are to achieve improved life chances for all in rural areas, the climate of current ideas will need to shift and place the core ideal of achieving social justice centre stage in the rural policy debate. Furthermore, the people who live in the countryside must give their support to building fairer rural communities. Perhaps the first step towards achieving this ambition is for central government to articulate a clearer vision of the rural social and economic future it wishes to see develop. We need a public debate on the future of the countryside that has an ambition equal to that of the recent 'urban renaissance'.

In many respects, the Government has made steady progress towards the goal of social justice in rural areas in recent years but this progress is vulnerable to challenge and is not yet an irreversible shift in attitudes. Defra and the Government need to identify the key priorities that can help achieve social justice, and embed change in the institutions, attitudes and politics of rural life. They must also produce a more nuanced rural policy, which moves beyond aspirational statements and develops a clear policy framework.

Too often rural policy is left in its traditional position on the fringes of more established policy fields, such as environment, agriculture and planning. This position is reinforced by the fact that Defra plans to spend just over three per cent of its total budget on rural policy during 2007-08 (based on Defra 2005). There is little clarity as to how the countryside fits into the bigger social justice agenda, and too often the problems of rural areas and their communities are separated from broader discussions about social and economic policy. At the same time, disenchantment within rural and countryside groups suggests a potential discord between rural public policy and the communities it seeks to serve. Rural policy needs to be reorientated.

This book aims to contribute to that debate. It covers a wide range of issues, from economic development, poverty and public services to the governance and politics of rural areas. It discusses the key policy questions of what rural policy is meant to achieve, what it is currently doing and what it could achieve in the future. In each policy area, we ask what the institutions of government can do to build a fairer society in the UK's rural areas.

Economic development challenges

One primary and long-standing influence on rural economies is Europe, and the role of the Common Agricultural Policy (CAP) in promoting economic diversity. Recent years have seen an evolution of the CAP, from a mechanism that simply supports agricultural production to one with an emphasis on broader rural development. Philip Lowe explores this topic in Chapter 2, highlighting the difficulties of establishing common rural development goals in a diverse and changing Europe. Nevertheless, there have been significant policy changes: decoupling agricultural support from production and incorporating environmental objectives and the broader socio-economic development of rural areas. The CAP is no longer just an industrial support package, it now has a substantial territorial focus.

Lowe argues that rural economic development has frequently been constrained by national agricultural interests and associated institutional conservatism across Europe, which has blunted attempts at reform. He wants Europe to identify new opportunities to foster the non-agricultural drivers of rural economies, and makes a strong case for an even greater refocusing of CAP on rural development. We can but hope that all member states will heed his advice.

Neil Ward continues this examination of rural economies and addresses UK rural economic policy in Chapter 3. He argues that the rural economy is still often referred to in ways that suggest land-based businesses like agriculture are its primary constituents. Such conceptions fail to reflect the diversity and complexity of rural areas, and almost any type of business can be a part of the rural economy. With this in mind, the chapter explores the

opportunities and linkages that could be provided by viewing rural areas and their assets as active contributors to the development of cities, city regions and nations. It also addresses some of the current policy issues facing rural economic development, including: the Government's emphasis on improving levels of productivity in rural areas, particularly those that are more remote; attempts to diversify rural economies and move beyond a policy centred on agriculture; and rural–urban interdependencies, in particular the role of in-migrants in stimulating local economic development.

A practitioner's perspective is provided in Chapter 4 by Richard Pealing's commentary on the difficulties of delivering economic regeneration at the sub-regional level within rural Cumbria. He discusses some of the challenges he has faced trying to raise productivity and broadening the economic base of rural Cumbria, against a backdrop of complex regional and sub-regional strategic and delivery frameworks.

Rural society and public services

In Chapter 5 Paul Milbourne discusses the continued presence of income-related poverty as a 'hidden phenomenon' in rural Britain. He concludes that the majority of the rural poor are elderly, and many of the rural poor are in work. Furthermore, those in work significantly outnumber the unemployed among the non-elderly poor population.

In his discussion of policy responses, Milbourne criticises the scarcity of robust evaluation of evidence of the effectiveness of welfare policies in rural areas. Due to this scarcity, he draws upon evaluation evidence from the United States, where rural welfare policy reforms have some similarities to those in the UK. US evidence concludes that child poverty has declined at lower rates in rural areas than in urban or suburban areas and the reformed welfare-to-work programmes provide rural inhabitants with limited opportunities to advance beyond entry-level jobs.

Brian Wilson in Chapter 6 explores the inequalities of policy actions in rural service provision, discussing provision from the public, private and third sector providers. Evidence suggests that the closure of rural service outlets has slowed overall, but Wilson notes that pressures to centralise public sector services may adversely affect this position. He notes that rural communities often feel worried that if public services are delivered by large units of public sector administration – such as regional police forces – they will not respond to rural needs.

Rural service provision will depend on the weight of emphasis and resultant trade-offs placed on quality, cost and access. The more vulnerable – those with low incomes and/or those with low mobility – face growing difficulties in accessing services, producing a polarisation between the 'access rich' and the 'access poor'. The challenge for the public sector is

great, especially if it is also to try to encourage greater local responses to service delivery. However, the potential exists for new innovative means of rural service provision, for example through the growth in information and communications technology (ICT) and possibilities for 'e-delivery', even in mainstream services such as health and education.

Affordability of rural housing is one of the most high-profile issues for rural policy in 2006, and is explored by Sarah Monk and Aoife Ni Luanaigh in Chapter 7. They chart the many contributing factors that have led to rural housing affordability being such a high political priority. Drawing on detailed evidence from the West Midlands, the chapter looks at some of the issues surrounding housing affordability and the Government's 'sustainable communities' agenda. The chapter argues that the current policy of improving affordability through planning gain mechanisms, for example through building social housing as part of market housing developments, achieves relatively small returns over a long time period. It asks for a greater commitment to affordable housing provision across all rural settlements.

Based on first-hand experience of working with communities in the Peak District, Sara Gowen comments in Chapter 8 on the practical day-to-day pressures of responding to rural deprivation and local service provision. Her work focuses on the challenges faced in supporting rural women to return to the workforce, and stresses that if practice does not inform policy we will not see improvements to the quality of life of rural residents.

Politics and governance

In Chapter 9 Mike Woods provides an overview of the increasing complexity of rural governance within the UK and the increasing profile of rural issues in the political arena since Labour's 1997 election victory. Rural governance has been an area of constant policy change since 1997, with a frenzy of activity in the Government's early years to claim the legitimacy to govern the countryside followed by what Woods feels is a shift towards emphasising the environment and land management at the expense of the social agenda. More recently we have seen an increasing recognition of differences between rural and urban areas, for example with the introduction of rural proofing, and lately the recognition of the interrelationships between rural and urban areas.

Woods argues that differences between various rural communities have finally been recognised by policymakers, and that community empowerment is now central to policy development. However, he expresses concern at the disparate levels of participation in rural politics. One aspect of this is the limited numbers of contested seats at parish, town and community council elections. Another is the often defensive, as opposed to progressive, policy outlook on which many local actions are based, potentially restrict-

ing the ability of local communities to address social problems, and their meaningful empowerment.

Conclusion: creating the new rural agenda

This book has tried to identify some of the practical policy reforms that would help achieve social justice in rural areas. The following list is not intended to be a definitive list of everything that needs to be done in the UK's rural areas. Rather, we hope that these suggestions stimulate debate about the future content and shape of rural policy.

Summary of ippr north's rural policy recommendations

- Government needs to articulate a clearer vision of the rural social and economic future it wishes to see develop. We need a public debate on the future of the countryside that has an ambition equal to the recent 'urban renaissance'.
- Defra needs to produce a more nuanced rural policy, which moves beyond aspirational statements and develops a clear policy framework that it can share with other Whitehall departments.
- The rural policy community needs to 'mainstream' the rural dimension into national policy challenges, and it needs to engage with 'mainstream' policy agendas. The relationship must be two-way.
- Whitehall departments need to 'mainstream' the rural dimension into their policy and spending decisions from the earliest possible stage and make the actual public spend publicly available. The 2007 Comprehensive Spending Review needs to bring forward a cross-departmental set of Public Service Agreements on rural policy.
- The production of rural data needs to be substantially improved. Government departments need to incorporate Defra's rural typology into their information gathering and analysis and Defra needs to promote joint working and information sharing.
- The Common Agricultural Policy needs reform. In advance of the review of 2008/09 the UK Government needs to work to build consensus on reform, reorientating the budget away from farm subsidies towards measures intended to stimulate broader economic development. To assist this process, the Treasury should follow up its 2005 vision paper on the CAP with a UK vision for the CAP's second pillar.
- Rural local government must be prepared to engage more extensively with local communities, and regional bodies should be obliged to publicly state how they have responded to issues raised. One possible way in which improved engagement with rural communities could be achieved is through a reinvigorated role for parish and town councils

- (and their equivalents), which should be fully explored.
- Regional Rural Affairs Forums need to make greater connections between policy development, delivery of services and the engagement of the community. They have a crucial role in ensuring that debates are not confined only to the larger and more professionalised rural interest groups.

References

Department for the Environment, Food and Rural Affairs (2004) *Rural Strategy*, London: Defra

Department for the Environment, Food and Rural Affairs (Defra) (2005) *Defra Departmental Report*, London: Defra

Department for the Environment, Food and Rural Affairs (Defra) (2006) 'Royal Assent for Natural Environment and Rural Communities Bill', press release 146/06, 30 March

Labour Party (2005) *Britain forward not back, Labour Party Manifesto*. Available at www.labour.org.uk/fileadmin/manifesto_13042005_a3/pdf/manifesto.pdf