



# FIVE

# Discussion

## Introduction

For the last ten years the *State of the countryside* report has presented numerous facts and figures to provide an analysis of the social, economic and environmental condition of rural England. The reports have also considered what this evidence tells us about change, and its implications for people living and working in the countryside, now and in the future. The data and the indicators that we use inevitably focus on what we can measure and some of the most significant developments are not always easily summed up by quantitative data alone. However, examining this material is essential to understanding how changes, such as in the population, the economies and the physical environment of rural areas, can be addressed by policy makers and others concerned with the wellbeing of rural communities.

Drawing together what we have observed this year with what we have learnt in the last ten years offers us a unique opportunity to consider the significance of particular aspects of change in rural areas. Although we cannot know what will happen in the future for certain, we can seek to understand more about the factors that will influence what happens. Throughout this report we have examined how specific features of modern life, such as housing affordability, productivity growth or developments in renewable energy impact on rural England. This material can be used to underpin an evidence based debate enabling us to conclude what is important now and what should be done to ensure that rural people's needs and circumstances are addressed.

## Section includes:

Introduction ..... 155

## New evidence in this year's report

Year on year we report data and analysis which updates those presented in previous years. In many cases the trends remain constant, or change slowly. This year, as in others, we also present findings that we have not been able to show before.

These include:

- Internal migration has slowed in the last two years, and overseas migration has slowed in the last year, following a sharp increase from 2004. Comparing internal with overseas migration shows that in very few areas does the level of migration from overseas approach that resulting from internal migration.
- While rural areas have, on average, better health outcomes (which is related to the higher average incomes of rural areas) there is also a higher incidence of disease (which is related to the older population profile).
- While rural disadvantage is generally found to a lesser extent than urban disadvantage, the actual volume is not picked up in most area-based analysis. This is because it is not concentrated in specific geographic areas but dispersed across rural settlements. Also, our new analysis seems to show increasing inequality within rural areas.
- Poverty appears to be increasing in rural areas, and more than in urban areas. Over the last two years for which data are available the percentage of population under the poverty line rose 3% in rural areas compared to 1% in urban areas.
- Most measures of economic performance show rural England to have a vibrant and active economy, but output per employee is not as high as in urban areas. Wages for jobs that are in rural areas tend to be lower.
- Work is not proving to be a route out of poverty for many rural employees and residents due to low pay in rural areas.
- The number of people working in knowledge-based industry continues to grow while the number employed in land-based industry continues to decline.
- A sharp increase in the value of agricultural land and rising commodity prices has taken place over the last year.
- The need to adapt to and mitigate climate change is a major challenge for rural communities.

## The past as a clue to the future

Throughout ten years of *State of the countryside* reporting we have identified a range of factors that have affected rural England. These include many that have remained important over the period and some that have not materialised as significant. There are also new issues coming to the fore that were not considered to be noteworthy for rural areas previously.

These factors provide the context for a broader analysis of future change, reflecting largely national and local conditions, evident in the first report published in 1999 but still current. These are mixed with some of the newer trends examined in the last couple of reports which reflect systemic shocks, largely flowing from global and more long-term conditions, including climate change or developments in the international economy, such as growing consumption by nascent middle-classes in developing countries. Some of the trends we note are clear eg declining availability of services – some less clear, such as the impact of changing use of and demand for land.

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**The key challenges presented in the first report in 1999 were:**

- sustaining enterprise and prosperity;
- forging a new role for agriculture;
- meeting housing needs;
- creating towns and villages fit for future generations;
- reducing traffic growth and revitalising public transport; and
- empowering communities and individuals.

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**Issues and trends that have remained important since 1999 include:**

- an ageing rural population;
- a desire to live in the countryside and the consequent migration of people to rural areas, coupled with a trend of young people leaving rural areas for work and for study;
- concern about the quality of the countryside;
- the relative similarity in the make-up of urban and rural employment, with agriculture employing a relatively small number of people;
- a growing rural economy with many small businesses and self-employed people, but with lower wages than in urban England;
- housing affordability issues, fed by increasing demand for housing, and the demand for second homes;
- fewer outlets for many services in rural areas;
- poor accessibility to services for those without access to cars;
- less funding per head for many rural authorities;
- faster traffic growth in rural areas; and
- rural communities described as being stronger or more vital.

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**Issues and trends that have declined in importance since 1999 include:**

- recorded homelessness was rising faster than the national average – homelessness has fallen and is lower in rural areas, but there is evidence of homeless people being more likely to stay with friends than go to official temporary accommodation; and
- an absence of public transport – initiatives started in 1998 mean that the percentage of people within 10 minutes of an hourly or better bus service has risen. However, the issue is still very much of concern with many still not well served by public transport.

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**Issues and trends that have come to the fore since 1999 include:**

- climate change was known about in 1999, but the implications (especially for rural areas) were only appreciated at the time by a small number of commentators – now it is a key policy driver for all types of area;
- use of the internet to access services – growth has been dramatic, but it has also raised the issue of service availability for those unable to access the internet, and impacts on the viability of more traditional methods of service delivery;
- polarity of rural affluence and disadvantage – it is now possible to map much more data than was the case ten years ago, and the differences between different types of rural area are becoming more apparent. Peripheral and sparse rural areas show very different patterns to the more affluent commuter areas;
- migrant workers – the expansion of the EU and greater worldwide migration has meant that rural areas have been affected by migration from overseas to a far greater extent than would have been imagined; and
- food security – three years ago food security was largely perceived as a 'non issue', but with changes in the world economy and international security, combined with competing demands for rural land, it is beginning to drive policy again.

## Changes in emphasis in the nature of issues over ten years

In addition to changes in the trends themselves, there have also been various changes in emphasis in how the main issues are perceived, and consequently analysed, in various *State of the countryside* reports.

### Declining access to services

There has been considerable change and mostly decline in the numbers and availability of service outlets. Availability of all services has fallen since 2000, except cashpoints and supermarkets, which have risen mainly due to market forces. Schools and GP practices' availability has been stable. There has also been an increase in bus accessibility – all of these services have been protected by active public policy.

Access to the internet has increased greatly with technological developments. First figures were available in 2002, when rural usage was at 44% of rural people; this rose to 62% in 2007<sup>1</sup>. A 'digital divide' has emerged with younger and wealthier people having greater access. Also, access to broadband at sufficient speed has emerged as an issue for rural households and businesses.

### Housing

Affordability was raised as an issue in 1999, but the measure of the ratio of prices to incomes was not available until 2002. House prices since 2000 have greatly increased and more so in less sparse hamlets. There were estimated to be about 47,000 second homes in rural areas in 2000, and about 94,000 in 2006/07<sup>2</sup>. About 16,000 rural households were classified as homeless in 2000, but by 2006/07 the estimate was about 11,000<sup>3</sup>.

### Community

There has been considerable change in what is seen to be important about community, reflecting developments in the Government's policy agenda. In 1999 there was interest in community action, village halls and parish appraisals. This concern has now shifted towards issues such as cohesion and empowerment, and questions of community strength have risen to the fore, embodied in Defra's Departmental Strategic Objective for rural communities. But this is still difficult to measure, and there are contested views of the character of rural communities and cultural distinctiveness.

### Disadvantage

In 1999 the focus was on social groups disadvantaged by their characteristics, such as being older, younger or having a disability and therefore more in need of services and support. Now the consideration of rural disadvantage concerns material deprivation, income inequalities and fuel poverty. The Index of Multiple Deprivation was first produced in 2001, and updated in 2004 and 2007. This area-based measure is not so useful as a way of identifying rural deprivation although social circumstances, such as low income, age and housing type seem to offer some potential as ways of demonstrating the existence of rural disadvantage.

### Rural economies – enterprise and prosperity

Since 1999 the economic picture across the whole of England has shown improvements, with declining unemployment and increasing personal incomes. Rural economies mirror this, except that people who both live and work in rural areas tend to have lower pay, and there is a lower level of growth in prosperity in peripheral areas. The proportion of people working in agriculture has declined further and those working in knowledge-based industries has increased.

- 1 The figures used for internet access level are from two different sources and therefore should be treated with caution.
- 2 The method used for estimating second homes has changed between 2000 and 2007 so these differences should be treated with caution.
- 3 These figures used different methods for calculation and somewhat different definitions about what is 'rural'. They should not be used as definitive statistics.

## Farming and forestry

There have been clear changes in farming, with Foot and Mouth Disease in 2001 and CAP reform creating a major shift in the nature of this industry and its impact on the countryside. Recently there has been a sharp fall in uncropped land that was set aside and fallow due to increase in crop prices and the removal of CAP subsidies. Commodity prices have risen sharply over the last year, along with the growth of non-food crops and the use of land for energy generation.

## Leisure and recreation

There has been a great expansion in access to the countryside due to creation of access beyond designated rights of way. Walking remains the main activity.

## Environmental quality

159 countryside character areas were identified in 1998. The 'Countryside Quality Counts' initiative assessed change between 1999-2003 and shows that 51% of character areas were diverging (ie the character is being transformed and new patterns of settlement developing), while the remaining 49% remained broadly the same. Uplands and protected areas tended to have experienced little change. Biodiversity has remained broadly static with a slow down in the numbers of wild birds that had reduced in the decades before 1999, especially from farmland and woodland.

These issues all imply challenges for policy makers to tackle current national issues relating to climate change, rising food and fuel prices, and pressures on land use in a way which benefits all communities, including those in rural areas. Rural England can offer solutions to many of these issues and while they present a major challenge, this could also present an opportunity to engage rural residents more fully.

## What can the *State of the countryside* tell us about the future of rural England?

It is apparent that most trends and issues that were identified 10 years ago are still current. So we can probably predict with some certainty that rural areas will, for example, continue to have a more ageing population than urban areas. While we cannot predict the future we can use what we have learnt to identify some of the key drivers that may affect change over the next ten or twenty years. The list of key challenges from the 1999 report show that many of the issues are similar. However, some of those that have emerged since are issues of growing concern.

We have become used to many rural areas of England being more affluent than urban areas, and being the home for commuters to major urban areas, or more recently, to a wider range of edge of town and suburban areas. Agriculture is still seen as the major influence on our landscape, but it has become apparent that its influence on rural people as a whole is much diminished in many areas – the proportion employed in agriculture is a minority in all rural areas. In policy terms, what a rural area produces has been seen of less importance, but what it offers to urban areas in terms of a dormitory and recreation has become more important.

Just as these views have become more widespread, subjects such as climate change and security are making many question this view of the function of rural areas (as a place of beauty and a place for leisure), and the role it can play is changing. In the week in which *State of the countryside 2007* was published a single rainstorm caused devastating flooding across many urban and rural areas in the south of England following earlier floods in parts of the north. During the summer, Foot and Mouth and Bluetongue hit farming communities, and later in the year more outbreaks of avian flu occurred. During the winter and spring, rising commodity prices and fears of world recession have brought issues such as our self-sufficiency in food into focus.

In terms of the CRC's particular focus on tackling rural disadvantage and concern with economically underperforming areas a number of specific aspects of change shown from ten years of *State of the countryside* reporting are especially significant:

- The impact of peripherality. On most measures, communities and people living in sparse rural areas fare much worse than those in less sparse areas, and these tend to be further away from the main centres of population.
- Inequalities are also a major issue – while in the more peripheral areas it is apparent that many people are not well-off and policy may take account of this, in more geographically central areas and those closer to cities where commuting predominates, disadvantage exists. However, here it tends to be masked by the averages used in area-based statistics, such that poor rural people's needs are not recognised in policy.
- There are specific impacts of wider social changes on rural communities – increasing personal mobility, migration, ageing, individualisation and patterns of consumption mean that traditional ways of rural life have become marginalised in the minds of many rural inhabitants.
- Changes in the availability of rural services, largely due to changes in policy approaches to providing public support and investment, have meant maintaining the level of some services but the loss of others. Market forces have either promoted or reduced availability – supermarkets and cashpoints have seen growth, while banks, local shops and pubs have seen decline.
- Rural economies deliver economic wellbeing as well as growth. But there is continuing inequality between local areas and households – some areas have fared very well, while others have not, and the chances of an area doing well seem largely related to factors outside the control of local actors.
- Changes in land use and environment are occurring due to the impact of global trends and to changes in perceptions of what rural areas are for. Rural communities are often seeing pressures for land use change that are not in keeping with how they have viewed rural areas in the past.

To take our analysis of future trends further we will be systematically looking at key questions about the future of rural areas over the next few years. We will limit our focus to issues that affect rural areas in particular; that are important for rural people's lives; and are relevant to CRC's remit. Through this work we will not be able to predict how rural areas will change but we hope to be able to better understand the key drivers that will affect diverse rural communities and areas. We also hope to better describe the different dimensions and manifestations of inequality and disadvantage.

Finally, we will endeavour to continue to provide evidence about how the major public policy concerns play out in rural areas, making official information more relevant and amenable to the 'mainstreaming' of rural policy. The key policy challenges addressed through our policy programme work will be informed by this analysis, and will underpin the CRC's ability to fulfil its role in advising government and others so that the needs and circumstances of rural people are represented more fully.

